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## U.K. Says 6 Argentine Jets Downed British Report Damage to Frigate in Raids

**From Agency Dispatches**  
**LONDON**—British forces shot down at least six Argentine planes Sunday in an air and sea battle off the Falkland Islands, the British Defense Ministry said.  
 Five Argentine Mirages and a A-4 Skyhawk were shot down, spokesman Ian McDonald said. Another Mirage and two more Skyhawks were "probably shot down," he added.  
 A British frigate was hit, but there were no immediate reports of extensive damage or casualties, he said.  
 In a separate incident, British Harrier fighter jets attacked three Argentine helicopters over Falkland Sound, just off the coast of West Falkland Island, the ministry reported. A Puma helicopter was seen exploding, another Puma was seen catching fire and a third, a Bell helicopter, may have been damaged, the ministry said.  
 Mr. McDonald said "a number" of raids had been launched on ships in San Carlos Water, the inlet off Falkland Sound where British troops landed Friday.  
 "The aircraft were engaged by missiles from surface vessels,

shore-based Rapier [anti-aircraft missiles] and by Sea Harriers," he said.  
 "In the course of the attacks, one of our frigates sustained some damage," Mr. McDonald said, adding, "No reports on the extent of the damage have been received, nor has any indication of casualties." He did not disclose the frigate's name.  
 On Friday, several hours after British Marines and paratroopers went ashore in the first sustained landing on the Falklands since Argentina seized them from Britain on April 2, Argentine warplanes sank another frigate, the Ardent.  
 British intelligence sources have estimated Argentine troop strength on West Falkland island at 1,000 to 2,000, mostly concentrated around the largest settlement, Port Stanley. Mr. McDonald did not disclose the exact location of the clash Sunday with the helicopters.  
 The attack Sunday was the first major air raid since the troop landings Friday. The reports came within hours of indications by government sources that Britain wants its 5,000 troops on the Falklands to press ahead and recapture the is-

lands speedily — within weeks rather than days.  
 Independent Television News quoted government sources as saying that British troops had been ordered to retake the heavily defended Falklands capital of Stanley within days.  
**Surrender Sought**  
 "The object is now an Argentine surrender, Britain wants Argentine troops off the islands and there is little chance, it seems, of further negotiations," the report said.  
 Hours before the announcement by Mr. McDonald, British correspondents described by radio-telephone the Argentine air attack on British ships.  
 Robert Fox of the British Broadcasting Corp. described how the unidentified warship went to sea, accompanied by the sound of automatic cannon fire from "two, maybe even more" of the American-made Skyhawks.  
 "I got out to the bridge to see the smoke of [a jet's] exhaust as it disappeared over the hills," he said. "Suddenly there was a bang on the starboard side, and up in the sky I could see where a missile

had been fired. There, about 500 yards (455 meters) down the anchorage, was an enormous ball of fire, with black smoke coming out of it, as the Skyhawk hit the water." He did not disclose the location of the ship.  
 Jeremy Hands, a reporter for Independent Television News, counted two Skyhawks and said they "came in very low. They flew very fast. At least three ships seemed to open fire on them."  
 He said he was unable to say whether the British ships had suffered any casualties or damage.  
**Reinforcements Landed**  
 The attack came as British forces reinforced their Falkland Islands beachhead Sunday, reportedly in preparation for a move inland.  
 The Defense Ministry also reported that raids had been staged on Argentine ships and positions Saturday.  
 The Defense Ministry said British forces had "met no opposition" in consolidating the position around San Carlos, on the north-west coast of East Falkland island.  
 The ministry on Saturday an-

nounced the sinking of the missile frigate Ardent in Falkland Sound. It said the latest casualty figures from the Ardent were 22 men missing and presumed dead and more than 30 wounded among the 178 survivors.  
 Two other men were missing, presumed dead, and 25 wounded, from other ships. The British said when two helicopters were shot down on Friday and one Harrier pilot was missing after the loss of his plane, the ministry said.  
 In all, Britain has announced the deaths of more than 70 of its soldiers, sailors and airmen in the Falklands campaign.  
 The ministry said that on Saturday British jets had attacked Argentine positions around Goose Green airfield, 20 miles (32 kilometers) south of the beachhead, and had set ablaze an Argentine patrol boat in Chiswick Sound east of Goose Green. A British warship intercepted and ran aground a Falklands supply ship that the Argentines had been using.  
 The ministry said it had no details of casualties in the Saturday raids but reported "several" Argentine Pucara tur-

boprop ground-attack planes had been seen at Goose Green.  
 British reinforcements poured ashore on East Falkland Saturday as the bridgehead was widened to 10 square miles, the ministry said Saturday.  
 John Nott, the British defense minister, said the 3,250-ton Ardent had gone down after being hit by bombs and rockets during intensive air raids by the Argentine Air Force. The four-year-old ship was the second lost by the British task force in the South Atlantic; the destroyer Sheffield was sunk by an Exocet missile May 4.  
 Reconnaissance patrols reportedly began pushing eastward from the British bridgehead, probing for Argentine counterattacks, and other troops began deploying 105mm howitzers, surface-to-air missiles, anti-aircraft guns and early-warning radar systems.  
 Mr. Nott said five warships had been hit. A 500-pound bomb ploughed into the engine room of one vessel, believed to be the 6,200-ton light cruiser Antrim, but failed to explode, he said. The ship was said to be back in service.



A Royal Marine commando watches from his bunker as a landing craft carrying equipment approaches a Falklands beach.

## Argentina Says Troops Surround Bridgehead And Will Destroy It

**From Agency Dispatches**  
**BUENOS AIRES**—Argentine military officials said Sunday it would not be long before British marines were dislodged from their foothold on the Falkland Islands.  
 The official news agency Telam quoted a naval spokesman as saying that Argentine troops were controlling the situation near Port San Carlos on the west coast of the easternmost island, where the British landed Friday.  
 "The British are surrounded," a military source told The Associated Press. "They have no air or naval support and have their backs to the sea. Now we will start to push them harder."  
 The Argentine source described the British Defense Ministry's claim that 5,000 British troops were on the islands as "fantasy." He said 800 was a generous estimate. Some 10,000 Argentine troops are believed to be on the islands.  
 The communiqué Sunday from Argentina's military command said operations were being conducted as expected, with the basic objective of preventing the British from consolidating their position.  
**Argentine Advance Slow**  
 A senior military source quoted by the independent agency Noticias Argentinas, said the Argentine forces were advancing at a rate of only 400 meters (440 yards) an hour, because they had to find footpaths to approach the British positions.  
 "Our actions are so far limited to surrounding, harassing and maintaining a continuous pressure on the enemy infantry, trying to prevent them from advancing and gaining ourselves as much ground as we can," the source said.  
 The Argentine high command has said six planes were lost in a series of air raids that it said had sunk two British warships and put six others out of action.  
 The three-man Argentine military junta under President Leopoldo Galtieri met again Sunday. He said Sunday that Argentina was willing to stop shooting in the Falklands. He told the pope that Argentina was heartened by the pontiff's call for peace.

the leaders were evaluating the military situation.  
 The naval spokesman interviewed by Telam said the British would have tremendous difficulty holding a beachhead. He said the rugged terrain, the lack of essential equipment and logistical support, the bad weather and the constant threat of attack from Argentine forces would make the British position untenable.  
**Galtieri Asks Cease-Fire**  
 Gen. Galtieri said Saturday that Argentina was continuing to hold off British invasion forces, but called for a cease-fire to "pacify emotion and end the hostility."  
 "It is going to be very difficult for the enemy to make up for the losses it has suffered," he said.  
 The air force commander, Basilio Lami Dozo, met privately with Gen. Galtieri Saturday morning, and Gen. Galtieri in the afternoon praised "the pages of glory that the Argentine Air Force is writing."  
 Despite its losses, the Argentine Air Force and Navy are believed to still have more than 60 American-made A-4 Skyhawks and more than 30 French- or Israeli-made Mirages, in addition to French-made Super Etendard fighter-bombers and a variety of smaller or older aircraft.  
 Gen. Galtieri said that Argentine forces were ready to continue fighting, but that a variety of peace initiatives had been proposed by third countries. He called on "the sensitivity" of the British government to agree to peace.

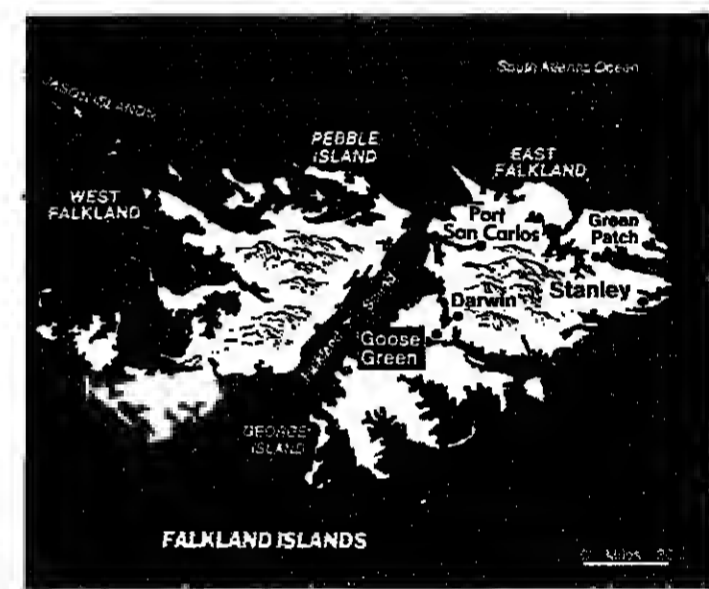


President Leopoldo Galtieri of Argentina talks to reporters.

## Support for Thatcher Appears Strong Now, But Will It Endure?

**By William Borders**  
**New York Times Service**  
**LONDON**—Ever since it burst abruptly into the world's consciousness seven weeks ago, the crisis over the Falkland Islands has been a major test not only of moral principle and international law, but also of the political fortunes of Margaret Thatcher.  
 With negotiations abandoned and Royal Marines fighting their way across the windswept islands, that political test seemed to be moving into a new, more critical phase.  
 So far, the prime minister's tough stand in the South Atlantic has enjoyed a remarkable range of political support at home. Except for the far left wing of the opposition Labor Party, which insists that the Falklands are not worth the lives of British Marines, most members of Parliament — and most of the public at large, according to opinion polls — generally support the government's abandonment of negotiations with Argentina and the reluctant return to bombs and bullets.  
**Mitterrand Ends Ivory Coast Visit**  
**ABIDJAN, Ivory Coast**—President François Mitterrand of France completed a three-day visit here Sunday during which he repeated France's readiness to encourage economic development in Africa without interfering in the continent's political affairs.  
 Speaking before the Ivory Coast's National Assembly on Saturday, Mr. Mitterrand called on the international community to help the Organization of African Unity find a peaceful solution to conflicts in the Western Sahara, Chad and South-West Africa.  
 Mr. Mitterrand completed his stay here Sunday by visiting Yamoussoukro, the native town of President Félix Houphouët-Boigny. On Monday, Mr. Mitterrand is to go to Senegal.

"It was a brave and difficult decision that was forced upon Britain," former Foreign Secretary David Owen, a leader of the Social Democratic Party, said in an assessment reflecting the multiparty solidarity that is still the norm. "We must defend the principle that aggression will not be rewarded. We are fighting this battle for the whole civilized world."  
 But even as they line up behind Britain's leader, politicians are also expressing grave doubts and fears. If a good many young British lives are suddenly lost in the South Atlantic, there could be a sharp, caustic reversal in Mrs. Thatcher's political fortunes.  
**Earlier Action**  
 "If it turns into a disaster, the people will resent it deeply, and they will have a right to ask why they were not forewarned," said Frank Auland, one of 35 left-wingers who voted against the government Thursday night.  
 Or if the government's nerve seems to weaken, with, for example, a quick move back to the negotiating table after military strikes that fall short of occupation of the islands, there could be outrage among the right-wing Conservative backbenchers, who pressed for firmer, bolder, earlier military action.  
 Even if the Falklands are recaptured with a level of casualties that seems acceptable, what then? The Falklands are no prize, and Britain has been trying for years to negotiate an agreement for yielding sovereignty over them to the Argentines. But in the last few days, there seems to be a growing feeling that if the country fights for the islands and wins, "then we ought to bloody well keep them," as a young man put it on a television panel discussion.  
**Negotiating Posture**  
 Peter Shore, the Labor Party's finance spokesman, who was on the same panel, said that the defense budget could easily afford whatever garrison might be required to ensure the islands' security if the Argentines are defeated.  
 If Britain recaptures the islands, its entire negotiating posture with



Map of the Falkland Islands showing the locations of West Falkland, East Falkland, and various settlements like Stanley, Port Stanley, and Goose Green.

**Related Articles on Page 4:**  
 ■ Britain faces the double challenge Monday of maintaining West European support for its position in the Falkland Islands crisis and smoothing over a dispute between itself and the European Economic Community.  
 ■ Reagan administration officials say that the Falkland Islands conflict is creating a long-term, major shift in attitudes and policies throughout South America that will inevitably be harmful to U.S. interests.  
 ■ The initial success of the British landings prompted — in the words of one official — "unconcealed pride so much was accomplished so quickly with so little loss of life."  
 ■ In a dusty little town in a cornfield five hours drive from the Argentine capital, the people — even those whose relatives are fighting on those remote islands in the South Atlantic — call it *la situación*, or *el problema*. No one wants to call it a war.

Argentina will be significantly strengthened. That presumably was the reason for Mrs. Thatcher's declaration in Parliament on Thursday that the various offers made over the past few weeks "are no longer on the negotiating table."  
 For example, if Britain gains complete control of the islands, then a joint military withdrawal ceases to be an appropriate negotiating point.  
 The apparent termination of the negotiations, with Argentina still maintaining that it wanted to keep talking, was the one aspect of the government policy that did not draw wide bipartisan support. Both Mr. Owen and Michael Foot, the Labor Party leader, said it was wrong to close the door to further talks, and The Financial Times said in an editorial: "It would be a grave mistake to withdraw any inducement to Argentina to settle at the last moment."  
 Even as the troops were landing by boat and helicopter, another peace plan was in the works. President Fernando Belaúnde Terry of Peru made proposals that were urgently cabled to Downing Street. Mrs. Thatcher's war Cabinet, which has met almost daily to chart the South Atlantic campaign, studied the proposals Friday morning. But afterward an official close to the prime minister said: "We were in a diplomatic, negotiating posture for weeks. There was no indication — and there still is none — that the Argentines are serious about negotiating. So, although the risk is enormous, we've now been forced instead to the military option that we tried so hard to avoid. The goal now is simply to get the Argentines off our islands."

## Soviet Study Outlines Serious Food Problems Leadership Is Told of Negligence and a Shortage of Facilities

**By Dusko Doder**  
**Washington Post Service**  
**MOSCOW**—A confidential study prepared for the Soviet leadership has outlined a near-disastrous decline in the Soviet Union's ability to feed itself.  
 The study, made available in Moscow, provided figures that showed a tenfold increase in Soviet food imports over the past decade, staggering levels of mismanagement of agricultural equipment and direct losses of harvested crops due to negligence and lack of storage or drying facilities.  
 The document, prepared by a special government commission during the past year, said one-fifth of the grain harvest is lost because it is harvested late or left to rot.  
 The figures given for losses for other crops are even higher. The study said one-third of the country's potato crop is left to rot. According to experts who took part in drafting the document, about half of potato production — or the equivalent of the entire annual American production — is lost each year because of a chaotic distribution system and lack of storage facilities.

As a result, the study said, an average Soviet citizen is poorly fed, consuming 54 pounds of meat per year less than required by medical standards.  
 The commission, which prepared the study in cooperation with the state planning commission and 38 ministries and scientific institutes, concluded that "the existing economic mechanism does not provide necessary economic incentives for production increases and fuller use of the potentially available land."  
 The study has provided the basis for an internal debate leading to a special Central Committee meeting on agriculture, to be held Monday.  
 The gloomy assessments suggest that the crisis in agriculture may become a touchy political problem. Just what course Kremlin leaders intend to take is not clear, although experts involved in the preparation of this study talked about financial incentives and the need to adopt parts of the "Hungarian model." In Hungary most land is run by cooperatives that have become very profitable because of financial incentives for productivity.

A similar Central Committee meeting devoted exclusively to agriculture was held in March, 1963, shortly after Leonid I. Brezhnev replaced Khrushchev as the Soviet leader. At that time, most of the failures of previous years were blamed on Khrushchev.  
 As it stands, the study prepared for the Brezhnev Politburo appears to be an indictment of the present leadership.  
 Well-informed observers here said that recognition of the need for radical changes may suggest that the leadership is prepared for decisive action.  
**Other Agenda Items**  
 Monday's plenum is also expected to deal with organizational problems, including the filling of Politburo positions vacated by the recent death of the No. 2 party secretary, Mikhail Suslov. There are widespread rumors of a broader shakeup of the ruling body and there has been an unusual atmosphere of intrigue prior to the meeting, which was originally scheduled to deal exclusively with food.  
 Moscow's ever-increasing dependence on food imports is also cited as a major strategic concern

in the new report, which covers the period from 1966 to 1980.  
 For the period 1966 to 1970, the Soviet Union had to import 15 million tons of food, mainly grain and meat. From 1976 to 1980, food imports rose to 80 million tons.  
 While the document did not mention the 1981 grain harvest, Western experts said it was around 165 million tons, considerably below the disastrous yields of the preceding two years.  
**Import Increase Expected**  
**PARIS (UPI)**—The Soviet Union has indicated that it will increase grain imports to more than 45 million tons this year.  
 U.S. Undersecretary of Agriculture Seeley Lodwick finished two days of consultations Saturday with Boris Gorbachev, the deputy Soviet foreign trade minister, without agreeing to extend the current contract to sell U.S. grain to the Russians beyond the Sept. 30 expiration date.  
 The Russians told Mr. Lodwick their total grain imports in 1981 were 41 million tons.

## INSIDE

**U.S.-IRAN MANEUVER**—Concerned about Iraqi setbacks in the war with Iran, the United States is reported to be seeking help from Islamic nations to step up pressure on the Iran regime to reach a settlement with Baghdad. Page 3.  
**CANADA'S ECONOMY**—There is a growing expectation in Canada that Prime Minister Pierre Elliott Trudeau will have to change his economic policies to deal with Canada's deepening recession. But the alternatives open to him are limited. Page 2.  
**TACTICS ON NAMIBIA**—The five Western nations that have been trying to mediate between South Africa and the South-West Africa Peoples Organization appear to be revising their tactics in an effort to revive the stalled negotiations on an independence plan. Page 5.  
**TOKYO PROTEST**—An estimated 400,000 people flocked to Tokyo Sunday to call for a halt to the nuclear arms race in a demonstration that underlined the growing strength of the disarmament campaign in Japan. Page 2.

## Brezhnev Replies to U.S. on Arms Haig Says a Date for Talks on Cuts Should Be Set Soon

**United Press International**  
**WASHINGTON**—Secretary of State Alexander M. Haig Jr. said Sunday that President Reagan has received a reply from Soviet President Leonid I. Brezhnev to U.S. arms-reduction proposals and that a date should be set for negotiations soon.  
 Mr. Haig confirmed that Mr. Brezhnev responded to Mr. Reagan's letter calling for substantial reductions in the nuclear arsenals of both countries. Mr. Reagan disclosed his letter to Mr. Brezhnev in his arms-reduction speech at Eureka, Ill., on May 9.  
 In that speech, Mr. Reagan proposed a one-third reduction of U.S. and Soviet strategic nuclear warheads. "The focus of our efforts will be to reduce significantly the most destabilizing systems — ballistic missiles — the number of warheads they carry, and their overall destructive potential," the president said.  
**"Basically Encouraging"**  
 Mr. Haig refused to divulge the contents of Mr. Brezhnev's reply, saying only "I will also suggest that we anticipate through diplomatic channels ... to confirm

hopefully before too long a date for resumption of ... negotiations."  
 "I think the response of the Soviets to the president's speech ... was basically encouraging. It was also replete with a number of self-serving posturing statements of non-seriousness."  
 Tass assails Reagan's new national security plan. Page 3.  
 propagandistic nature," said Mr. Haig, who was interviewed on a U.S. television program.  
 Mr. Haig repeated the administration's contention that a freeze on nuclear weapons "would lock the United States into positions of inferiority in key areas."  
 "Anyone that would suggest that entering into negotiations under such a frozen disadvantage would be an incentive for progress in arms control, I think, has somewhat misplaced his logic," Mr. Haig said.  
 On May 19, Mr. Brezhnev called for a nuclear freeze, declaring his readiness to reach an accord with the United States that would either ban or severely restrict the development of all new types of strategic armaments.

On the television news program, Mr. Haig also said that "linkage" between Soviet actions on the international scene and the willingness of the United States to negotiate with the Kremlin "continues to be an active aspect of American foreign policy."  
 "But the president's [proposal] also made it clear that arms control is a very special area of East-West relations and one in which we seek our own vital interests to be realized," Mr. Haig said.  
 Linkage is not dead, Mr. Haig said. "It remains a very active part and will remain an active part" of U.S. policy, he said. "It is a fact of life that international behavior of nations that have relationships with one another affect the full range of their relationships."  
 On another subject, Mr. Haig denied that the Camp David Middle East peace process is dead. "Not at all," he said, adding that the return of the Sinai from Israel to Egypt as part of the Camp David agreement is of "major historic significance."  
 On another aspect of the Camp David agreement, Palestinian autonomy talks, Mr. Haig said: "I believe we're ready to get moving."

# For Versailles, Mitterrand Aide Prepares Both the Agenda and the Fireworks

By Axel Krause  
International Herald Tribune

PARIS — Jacques Attali, an eclectic 38-year-old Socialist economist whom an admiring U.S. official describes as a "pragmatic Utopian," is directing the preparations for next week's seven-nation summit conference at Versailles.

He has mobilized hundreds of officials in a half-dozen ministries and is supervising everything from topics for the agenda to arrangements for a fireworks display and the installation of an air-defense system on the grounds near Versailles Palace.

Mr. Attali is one of eight officials from the seven nations and the European Economic Community doing advance work for the

conference June 4-6; they are nicknamed the Sherpas, after the Tibetan mountain climbers.

Widely regarded as intellectually brilliant and fiercely loyal to Socialist principles and to Mr. Mitterrand, Mr. Attali is playing a sensitive, double role during preparations for the meeting, according to senior French, European, and U.S. officials.

The role, officials said, involves helping shape the substance of the discussions and possible agreements for the conference while also supervising the substantial, and costly, material preparations.

Operating from a spacious office adjoining Mr. Mitterrand's at the Elysée Palace, Mr. Attali is spending more than half the time during his 12-hour workdays conferring with his staff about the agenda, issuing instructions to ministries, approving last-minute budget items and handling dozens of other chores. He also briefs reporters, although he has insisted that he not be cited.

## Big Influence

"It is a very difficult task, but Jacques is pragmatic, with a passion for originality, and is at least as influential as Bill Clark in the White House," said a former U.S. official, Meyer Rashish, referring to William P. Clark, President Reagan's national security adviser.

Mr. Rashish, who resigned in February as U.S. undersecretary of state for economic affairs, has known Mr. Attali for more than a decade.

At their last formal meeting near Paris during the weekend of May 16, they agreed on a draft communiqué that is now being reviewed by representatives of the United States, Japan, West Germany, Britain, France, Italy, Canada and the EEC.

"Attali, along with Hormats, has played a key role in getting agreement on economic cooperation, which will be a big theme," said a highly placed source involved in the preparations, adding that "he has proven determined and highly persuasive."



Jacques Attali: 'An intellectual drawn by action.'

Robert D. Hormats, assistant secretary of state for economic and business affairs, succeeded Mr. Rashish as the Reagan administration's chief staff planner for the summit meeting.

## Monetary Issues

Among the accords expected to be in the final communiqué is one affecting U.S. monetary policy. It is broadly aimed at long-term stabilization of the value of the dollar on currency markets, and it is linked to the establishment of closer coordination of economic policies between the United States, Western Europe and Japan.

Mr. Attali is known to be highly critical of U.S. monetary and fiscal policy and firmly believes the pro-

posed agreement could be the most important result of the meeting.

With other officials involved in the planning, Mr. Attali is highly fearful that details of the agreement will be leaked to the press before the conference and then criticized, particularly in the United States.

This is not their only worry, the officials said. Apparently no one knows what President Reagan will do at Versailles, and if he will listen to his advisers. Most of them are urging the president to be conciliatory and cooperative regarding the improvement of strained economic relations.

Also, there is concern that Prime Minister Margaret Thatcher of Britain could be preoccupied with

the Falklands and Chancellor Helmut Schmidt of West Germany with regional elections in Hamburg on June 6.

## Japanese Position

Japan's trade-liberalization package, which is expected to be disclosed before the meeting, also could cause tension, particularly if the plan is judged inadequate by other participants.

"The final testing will come in the way heads of state act when they get to Versailles," said a senior European diplomatic official, adding "neither Attali nor the other Sherpas can influence that."

Meantime, Mr. Attali is spending much of his time on material arrangements for the meeting.

Having mobilized hundreds of officials in a half-dozen ministries and with a staff of 10, he is personally supervising everything from selection of gourmet food and subjects for midline discussion by participants to approving arrangements for a fireworks display and the installation of an air-defense system on the grounds near Versailles Palace.

President Mitterrand has insisted that journalists be well-treated during the summit meeting and on an equal basis. So another of Mr. Attali's key roles has been assuring the smooth functioning of accommodations for more than 1,500 reporters at the recently refurbished press center. It will be situated in the Orangerie, adjoining the palace, and represents the single largest item in the conference budget.

The cost was recently estimated by Le Canard Enchaîné, France's satirical weekly, at between 70 and 80 million francs (\$11.7 million to \$13.3 million). French officials described the estimate as "fantasy."

But the officials declined to provide a figure, stressing that Versailles was chosen by President Mitterrand because it was the handiest and least expensive site available in France.

## 'Court Jester'

Unlike most of his colleagues, who are senior government administrators or diplomats, Mr. Attali is what an admirer in the Reagan administration described as "a pragmatic Utopian." In a recent profile, L'Express magazine called him a "court jester." Paris Match described him as "an intellectual drawn by action."

There is truth in each of the descriptions. A graduate of four of France's prestigious grandes écoles, including Ecole Polytechnique, where he still lectures on economic theory, Mr. Attali is the author of eight books dealing with economics, politics and medicine. He worked for a leading New York bank in 1968 before becoming immersed in the activities of the Socialist Party.

## U.S. News Center for Reagan Visit Brings Complaints From French

PARIS — French government officials are complaining about a U.S. news center being established at a Paris hotel for 300 U.S. reporters and technicians covering the Versailles summit conference.

"Our preoccupation is that the Americans will dominate the coverage, just as they did at the Ottawa summit last year," a senior official said.

He said that a large, fully equipped press center for the summit meeting was being established at the Orangerie, adjoining Versailles Palace.

"We are determined that all the journalists coming to Versailles will have the same equal access to summit statements and officials — at Versailles," he said.

"If the Americans set up a parallel center to the Orangerie, we shall consider action, such as cutting the cables," the official said. He did not elaborate.

U.S. officials in Paris said they were proceeding with plans for the news center at the Meurice Hotel. It is being established by the White House and the U.S. Embassy in Paris and will accommodate U.S. newspaper, radio and television reporters and crews.

"We understand the French concern but, organizationally speaking, there are three Reagan visits to France, so there has to be another convenient center," a U.S. official said.

He explained that the separate visits included President Reagan's visit to Paris on June 2-3, his participation at the Versailles conference June 4-6, and the visits during those days by Nancy Reagan to Paris, Normandy and Versailles.

In an interview with Le Matin Magazine shortly after moving into the Elysée a year ago, Mr. Attali said he began working for President Mitterrand in 1974. The Socialist leader asked him to take charge of economic questions during his unsuccessful bid for the presidency that year, and Mr. Attali has remained close to him ever since.

With title of special adviser to the president, Mr. Attali's main roles are preparing for French participation in international summit conferences and providing counsel on overall strategy of the presidency.

The latter involves directing a small staff "reflecting on all the medium-term strategies affecting the evolution of society," he said in an interview with Paris Match.

Mr. Attali confers with the pres-

ident at least twice a day, according to Elysée insiders, and often accompanies him on trips. Earlier this year, President Mitterrand was a witness at Mr. Attali's wedding.

His closeness to the president has aroused envy and some distrust. But Mr. Attali apparently does not have political ambitions.

Mr. Attali is especially intrigued by the impact of new technology on the economies of industrialized and less-developed nations. He has shaped a report on technology that President Mitterrand will present as the first item of business at Versailles.

Combating "the world crisis requires using all the new tools available," Mr. Attali told Paris Match, "and for those affected, it could represent a kind of renaissance."

## Flights Curbed During Summit

PARIS — French authorities said Sunday that no aircraft will be allowed to fly over Versailles between June 4 and 7.

In addition to the ban, the army has decided to set up six batteries of anti-aircraft missiles and guns around the city.

The ban was expected to concern mainly small private planes.

Several thousand policemen will be on duty to assure security for the foreign leaders. President Reagan, who is due to reach Paris on June 2, is sending three large helicopters for himself and his party before his arrival.

The Versailles business community, meanwhile, has said the summit will keep away an estimated 120,000 visitors at a prime tourist season. Its representatives have asked for a special indemnity from the government. The Versailles château and its grounds will be closed to the public from May 24 to June 7.

## Pressures on Trudeau Grow to Change Canada's Economic Course

By Stanley Meisler

Los Angeles Times Service

TORONTO — There is a growing expectation here that Prime Minister Pierre Elliott Trudeau will soon have to change his economic policies, perhaps dramatically, to deal with Canada's deepening recession.

But the alternatives for Mr. Trudeau, unless he is willing to cut Canada's ties to the U.S. economy, are limited and, in the short run, could have little impact. Nevertheless, there is enormous pressure on Mr. Trudeau to do something, almost anything, about the economy.

"The overriding danger for Canadians," economics columnist David Crane wrote recently in the Toronto Star, "is federal inaction ... the continuing sense of drift in Ottawa at a time when someone ... should be taking charge of the economic emergency."

## Air of Impotence

Canadians talk about their economy these days with an air of impotence and frustration. Unemployment and interest rates are higher in Canada than in the United States, while domestic inflation — unlike inflation in the United States — has failed to come down.

On top of this, the Trudeau government took a double blow at the end of April when oil companies abandoned the \$12-billion Alaskan project for converting tar sands to oil in Alberta, and when U.S. firms announced a two-year delay in the building of the \$3.5-billion Alaska Highway natural gas pipeline. Canada had counted on the huge investment required for these projects to stir its economy out of the doldrums.

Mr. Trudeau has hinted that he will take action if he fails to receive assurances from President Reagan at the economic conference in France from June 4 to June

6 that U.S. interest rates are about to fall. Canadian rates are usually set somewhat higher than U.S. rates, and the pressures of higher rates have helped make the Canadian recession worse than the one in the United States.

At last year's economic summit conference in Ottawa, Mr. Trudeau joined other Western leaders in urging Mr. Reagan to lower U.S. interest rates.

"The Americans said, 'Give us six months; it's going to work,'" Mr. Trudeau said recently. "We will ... perhaps not be as patiently willing to wait another six months [after the June conference]

for the American high interest rates to drop ... Whether there will be a change or not depends on what we hear from the Americans and other participants."

## Lower Interest Rates

The most drastic step Mr. Trudeau could take would be to lower interest rates below those in the United States. That would revive business and ease unemployment. It would also drive the value of the Canadian dollar — now worth a slightly more than 80 U.S. cents — down even more, making Canadian goods easier to sell elsewhere but making imports of U.S. goods more expensive for Canadian consumers.

Mr. Trudeau might have to bolster such a move with wage and price controls to hold down inflation and with a form of currency-exchange control to prevent the Canadian dollar from skidding too far.

It is hard for many analysts to believe that Mr. Trudeau would go to that extreme, since it would amount to a nearly complete break with the U.S. economy.

Mr. Trudeau himself has dismissed rumors that he is planning

drastic moves of this sort. He told the House of Commons on May 13 that his government was continuing its policy of "not devaluing the dollar and not imposing exchange controls."

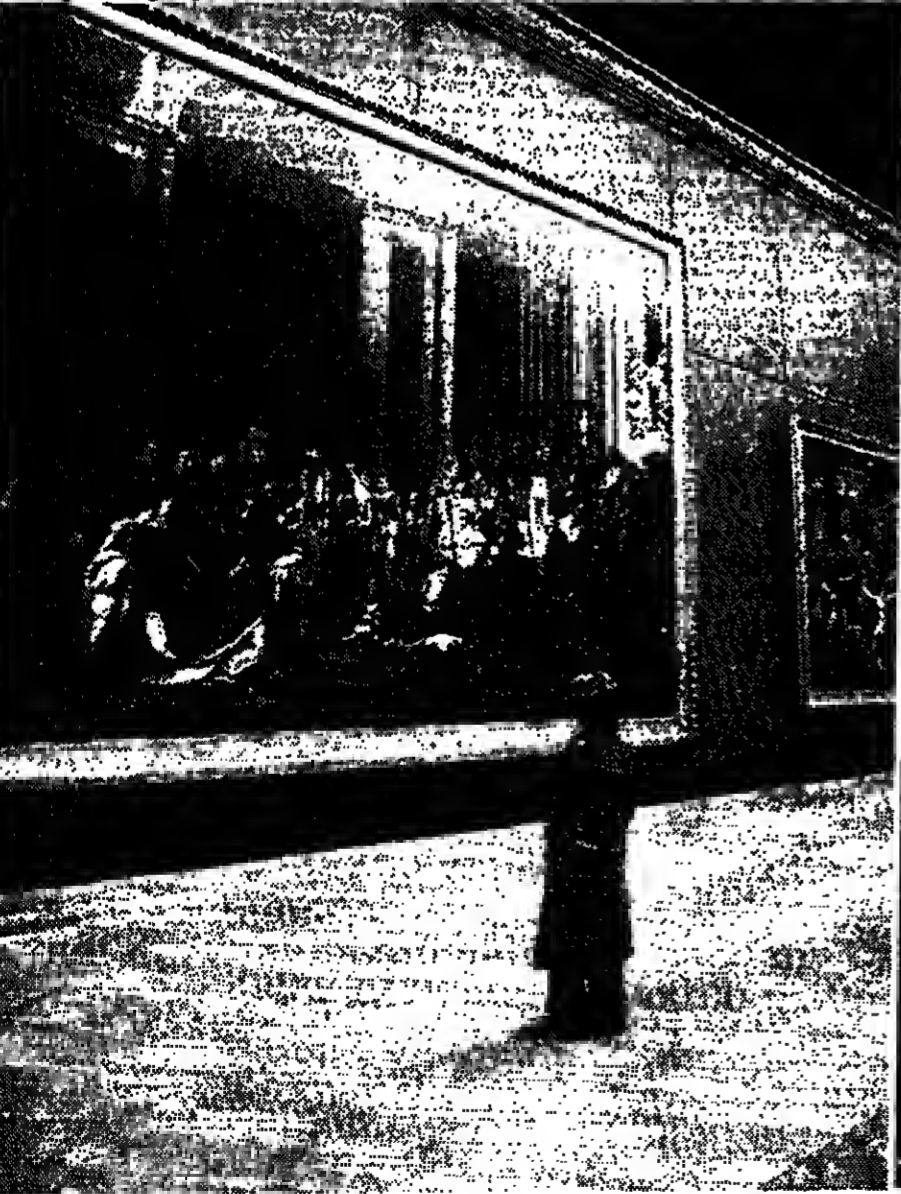
The opposition, while lambasting Mr. Trudeau's policies, has not advocated any radical changes. Instead, Joe Clark, the leader of the opposition and a former prime minister, hastened to blame the recession on government policies that have increased taxes on business and discouraged foreign investment, especially in the oil industry.

For a year, the Trudeau government has maintained that there was little it could do about the Canadian economy so long as U.S. interest rates were so high. Some government leaders, including Mr. Trudeau, may still accept this argument, but this attitude has helped to lower the Liberal Party's standing in the public opinion polls.

According to the most recent poll, Joe Clark's Progressive Conservative Party would return to power with a majority government if an election were held now.

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## Thousands Gather in Tokyo For Protest of Nuclear Arms

By Steve Lohr

New York Times Service

TOKYO — An estimated 400,000 people gathered Sunday in Tokyo to call for a halt to the nuclear arms race in a demonstration that underlined the growing strength of the nuclear disarmament campaign in Japan.

The day's rallies, held at three Tokyo parks, marked the largest demonstration against nuclear weapons ever held in Japan. Because of the atomic bombs dropped on Hiroshima and Nagasaki at the end of World War II, Japan has a long history of nuclear arms protests.

At Yoyogi Park, the scene of the largest gathering, protesters chanted: "No more Hiroshima! No more Nagasaki! No more victims."

Meanwhile, 12,000 people marched to the gates of the U.S. Embassy and called for the abolition of nuclear arms.

## McGovern Speaks

At Ueno Park, George S. McGovern, a former U.S. senator and the Democratic nominee for president in 1972, made a brief speech in which he said that the present nuclear arms buildup must be stopped. Mr. McGovern attended the rally as a special guest of a peace study group, sponsored jointly by leftist and conservative politicians.

In all three parks, survivors of

Hiroshima and Nagasaki spoke and pictures of the victims were displayed. Folk music groups sang peace ballads, and pictures of nuclear war victims in Western nations were on posters.

The organizers of the demonstration were a loose-knit collection of about two dozen groups, including Sohyo, Japan's largest labor group, and the Socialist and Communist parties. However, nuclear disarmament activists in Japan have tried to avoid being identified as a vehicle of moderate and leftist political groups.

The success in keeping the campaign relatively apolitical is apparently a key reason for its substantial support, as evidenced by Sunday's turnout.

The nuclear disarmament campaign in Japan is clearly linked to the big protest rallies in Western Europe and the stirrings of anti-nuclear sentiment in the United States. It also reflects an underlying post-World War II pacifism in Japan, whose 1947 constitution outlawed armed forces.

The demonstration took place shortly before a disarmament session scheduled for early June at the United Nations in New York. At that meeting, the Japanese delegation plans to present an appeal against nuclear weapons signed by 30 million of its citizens. More than 25 million signatures have already been collected.

## Gandhi's Party Takes Office in Disputed State

NEW DELHI — Prime Minister Indira Gandhi's Congress-I party, which suffered a setback last week in India's regional elections, succeeded in forming a government Sunday in one of two states where the opposition had forced a stalemate.

In Haryana state in the north, Congress-I member Bhajan Lal was hurriedly sworn in as chief minister despite a claim by the opposition Lok Dal farmers party that it could form a majority government along with its allies.

Lok Dal members said state Gov. G.D. Tapase's swearing-in of

Mr. Lal was against democratic norms. But Mr. Tapase said he had been assured the Congress-I party would prove its majority in the state legislature.

## Setback for Gandhi

The outcome of Wednesday's four state elections and seven parliamentary by-elections was a setback for Mrs. Gandhi, who had campaigned hard in what was regarded as a test of her popularity midway through her five-year term.

Her party was soundly beaten by a Marxist-led front in the eastern state of West Bengal, but led

an electoral alliance to victory over similar opposition in the southern state of Kerala. No party secured a majority in Haryana or the state of Himachal Pradesh in the north-west. Congress-I was defeated in four of the seven by-elections.

The Statesman newspaper said in an editorial Sunday, "Congress-I's unimpressive performance in spite of intense personal campaigning by Mrs. Gandhi ... does indicate disillusionment with the government's economic record."

In Haryana, Lok Dal and its ally, the right-wing Bharatiya Janata Party, won 36 seats against 34 by Congress-I and was confi-

dent of winning over some of the 12 independents elected to the 90-member assembly. Six newly elected independents could also decide the government of Himachal Pradesh, where Congress-I and the BJP won 29 members each in the 68-member assembly.

Gandhi to Visit U.S., Russia

NEW DELHI (UPI) — Mrs. Gandhi will visit the United States in the last week of July, and the Soviet Union in September, the Foreign Ministry announced Sunday.

Compiled From Agency Dispatches

# Grumbling U.S. Senate Accepts New Taxes and a \$116-Billion Deficit

**Helen Dewar**  
Washington Post Service

WASHINGTON — The Senate, over protests from liberals and grumblers from conservatives, has approved a \$784-billion budget for the next fiscal year that would raise taxes, cut military and domestic spending, and still leave a federal deficit of nearly \$116 billion.

The vote Friday was 49-43, largely along party lines. The final round of budget votes in the Republican-controlled Senate came after a Democratic-controlled House began debate on half a dozen budget plans and nearly 70 amendments, with votes not scheduled until this week and the outcome in doubt.

While the White House has indicated that the Senate budget is acceptable to President Reagan, the

House plan that comes closest to meeting his budget priorities faces serious challenges drawn up by the House Budget Committee and by a moderate bipartisan coalition.

The congressional action follows more than three months of intense efforts by members of both parties to devise an alternative to Mr. Reagan's fiscal 1983 budget, which was virtually dead when he submitted it to Congress in February.

## Long Way to Go

Even after the two houses approve their budget resolutions, there is still a long way to go: a House-Senate conference to resolve differences and legislation to carry out cost-cutting mandates in the budget, without which the 1983 deficit could exceed \$180 billion, according to congressional budget experts.

In the Senate, Republican leaders succeeded in blocking most Democratic proposals to restore spending for programs ranging from infant care to veterans' benefits, the major exception being \$400 million to guarantee full cost-of-living increases for railroad retirees. The restoration, approved 57-40, would total \$1.7 billion by 1985.

But the leaders held the line on the next major proposal, which would have extended unemployment benefits for an extra 13 weeks — to 52 weeks over all — in states with high unemployment, at a cost of \$337 million next year and more than \$1 billion over three years. It was defeated, 52-42.

The budget committee's proposal includes \$22 billion less in military spending over three years than the president wanted. In place of many of Mr. Reagan's controversial spending cuts, it includes a three-year freeze on domestic ap-

## Income Tax Cuts Untouched

The committee's substitute includes \$107 billion in tax and user fee increases by fiscal 1985, compared with the president's proposal for increases of less than \$40 billion over the same period. But the panel did not recommend deferral or modification of Mr. Reagan's controversial individual income tax cuts.

The budget committee's proposal includes \$22 billion less in military spending over three years than the president wanted. In place of many of Mr. Reagan's controversial spending cuts, it includes a three-year freeze on domestic ap-

propriations and a one-year freeze on federal workers' pay and pensions, which would be followed by 4 percent raises in future years.

The budget would cut \$26 billion from major benefit entitlement programs, such as Medicare and Medicaid, although one of its most controversial and ambitious provisions — \$40 billion in savings from Social Security over three years — had to be shelved in the face of opposition from many Republicans and Democrats.

## Add-Backs Won Votes

In a further effort to nail down a majority of the Senate, where Republicans control 54 of 100 seats, the party's leaders had to agree to additional spending add-backs of \$19 billion by 1985, along with \$6.2 billion in additional tax increases over the same period.

several popular programs, including space and science, housing, Medicare, veterans' health and guaranteed college student loans.

These concessions appeased Republican moderates but caused anguish among conservatives, who said they might vote against the budget if the deficit crept up any further.

This was one of the main reasons that Republican leader Howard H. Baker Jr. of Tennessee and Budget Committee Chairman Pete V. Domenici of New Mexico fought so hard to fend off spending reductions, prompting Democrats in claim they were being "gagged" and dismissed out of hand for partisan reasons.

The Senate budget resolution of \$784 billion for fiscal 1983 compares with a budget calculated by the Senate at \$740 billion for the current fiscal year.

# U.S. Quietly Seeks Aid Of Islamic Countries In Stopping Gulf War

**Bernard Weinraub**  
New York Times Service

WASHINGTON — The United States, worried about Iraqi setbacks in the war with Iran, is quietly seeking help from Islamic nations to step up pressure on the regime of Ayatollah Ruhollah Khomeini to reach a settlement with Baghdad, according to State Department officials.

[The efforts by the United States took on a new urgency Sunday as Iran claimed to have launched a major attack that brought its troops to the outskirts of Khorramshahr, an Iranian port city that was seized by Iraq in September, 1980.]

[United Press International quoted Iran's news agency as saying Iranian forces had reached the Shatt-al-Arab waterway and the Western entrance to Khorramshahr. Iran acknowledged the thrust but said it had prevented the Iranian troops from entering the city.]

Should Iraq withdraw or lose Khorramshahr, it would be a major psychological and military blow to the regime of President Saddam Hussein, State Department officials said Saturday.

They said the administration is concerned about the potential for Iran to thrust into Iraq or, perhaps more likely, "to accelerate pressures and resort to subversion from within" in hope of toppling Mr. Hussein's regime.

American officials are approaching Islamic countries such as Turkey, Malaysia, Pakistan, Indonesia and Algeria to help resolve the conflict before it escalates and Mr. Hussein falls.

## Wider Threat Seen

If this happens, the officials say, it would present difficulties for so-called moderate Arab nations such as Saudi Arabia, Oman and Jordan and would be potentially far more harmful to American interests than a continuation of the Hussein regime. Arab countries and the United States are especial-

ly worried that Ayatollah Khomeini's Islamic revolution would engulf Iraq.

U.S. policy is complicated by differing perceptions within the State Department and Congress about the nature of the Iraqi regime.

State Department officials insist that Iraq is less supportive of some terrorist groups than Congress believes, and that Baghdad has curtailed its support for radical Marxist groups in the region. They add that Iraq wants closer ties to European nations and was shaken by the Soviet intervention in Afghanistan.

Congress, however, has not endorsed the administration's efforts to take Iraq off the list of nations abetting terrorism, a move that would allow Baghdad to purchase civil aircraft from the United States.

## Israel Backing Iran

One strange element in the Iran-Iraq conflict is Israel's involvement.

State Department officials say Israel's support for Iran — whose press repeatedly voices furious anti-Israeli statements — is "marginal." But intelligence sources say Israel has become an important arms supplier, joining an unusual collection of countries including North Korea, Syria, Libya, the Soviet Union and several Western European nations.

Baghdad, on the other hand, within the last 20 months reportedly has received more than \$20 billion from Saudi Arabia, Kuwait, Abu Dhabi and Qatar.

## Climber Killed on Everest

PEKING — A member of a U.S. climbing expedition fell to her death last week while attempting to scale Mount Everest, the Chinese news agency reported Sunday.

# Wallace, Preaching Harmony, Seeks a Comeback

**By Art Harris**  
Washington Post Service

MONTGOMERY, Ala. — George Corley Wallace is back, riding his reputation as a fiery Southern populist into the Alabama governor's race.

He came out of political retirement here Saturday at a festive country picnic, telling thousands of admirers that he would seek an unprecedented fourth term as governor.

"I got paralyzed in the legs, but I promise you I won't get paralyzed in the head" like other politicians, Mr. Wallace said. A crowd of about 5,000 people ate it up, just like in the old days, while the former governor, sitting in his wheelchair, grinned.

Billing himself as a reformed segregationist, he spoke of a paradise lost of jobs, low taxes and racial harmony, reminding supporters how he taught Washington politicians a thing or two when he ran four times for president by tapping the same kind of frustration that is now common in the United States.

Before he was shot in 1972, Mr. Wallace had won Democrats by winning several presidential primaries.

## Jobs Are Top Priority

Mr. Wallace reminded the crowd that he once had had a national constituency numbering millions and noted that Alabama's 13-percent unemployment rate is the second highest in the nation.

"The number one problem is jobs," he said, boasting of the industry he brought to the state as governor.

The man who had stood in the schoolhouse door,

defying the U.S. government to integrate Alabama's schools, says he has changed.

"Regardless of your color, we're all in the same fix," Mr. Wallace said to applause from the mostly white crowd. "We can't pay our bills, so we must join together and see all black and white Alabamians have opportunities in schools and jobs."

Many blacks say they never had it so good as under Mr. Wallace. Some credit him with encouraging industries that provided jobs for low-skilled blacks.

"Politically Expedient"

Probate Judge Rufus Huffman, 55, a former field director for the NAACP, said, "I don't believe at any time he was a racist. What he said was politically expedient." "You have to give a person credit for changing."

Other blacks, however, cannot forgive Mr. Wallace for voting "segregation, forever" before winning his first term as governor in 1962. Margaret Gaylor, 28, a black teacher, said, "He lived and breathed segregation; he tried to keep us from going to schools. He may realize he was wrong now, but you can't erase the past."

Although hard of hearing and often in pain, Mr. Wallace, 62, said he was in good health and brushed aside criticism that he was too weak to govern. At his side was his third wife, Lisa, 32, whom friends credit with encouraging him to make a comeback.

Since stepping down as governor in 1979, Mr. Wallace has worked as director of rehabilitative services at the University of Alabama in Montgomery.

Four months before the Sept. 7 primary, polls show

Mr. Wallace leading four Democrats. Gov. Fob James, a millionaire who changed parties to run as a Democrat, is undecided about running again and had the highest negative rating of potential candidates — 50 percent — in a University of Alabama poll. The March survey gave Mr. Wallace 43 percent of the vote. Gov. James has until early June to decide.

## Fob's Critics

Critics of Gov. James are angry at being cut out from state jobs after years of tenure under Mr. Wallace. As governor, Mr. Wallace sculpted a loyal state bureaucracy, and many state workers said they yearned for his return.

"There is no rapport between Fob and the little man," said Tom Johnson, editor of the Montgomery Advertiser. "They hunger for all the attention Wallace gave them and feel that he can move a stubborn legislature."

Barney Weeks, president of the Alabama Labor Council, which represents 257,000 AFL-CIO workers and supported Mr. Wallace for governor when he won in 1970 and 1974, said, "Wallace was always more in tune with working people. And working people are more frustrated than ever. If the election were held today, the others might as well hang it up. Wallace would be elected in a moment."

If he wins the primary, Mr. Wallace is expected to face Montgomery's Republican mayor, Emory Folmer. Slick television ads show Mr. Folmer leading a National Guard unit on a five-mile jog.

"I can't run five miles," Mr. Wallace said in an interview. "But I can campaign."



George C. Wallace

# Some Vietnamese Killed by Their Chemical Weapons, Defectors Say

**By William Branigan**  
Washington Post Service

PHNOM PENH, Cambodia — Vietnamese troops battling guerrillas in Cambodia are occasionally killed or injured by their own chemical weapons and some have been issued antidotes for the poison, according to Vietnamese Army defectors interviewed here.

Four defectors in their 20s who defected to Thailand separately last year or early this year described systematic use by Vietnamese forces of different chemical agents that can kill, make their victims sick or temporarily incapacitate them. And a 36-year-old artillery captain who fought for Hanoi for 16 years before defecting in January, 1980, said Vietnamese forces in Cambodia used

chemical artillery rounds supplied by the Soviet Union.

His accounts were largely consistent with the statements of other Vietnamese Army defectors interviewed by U.S. officials within the last month. The defectors told how special units had poisoned water sources used by guerrillas of the Khmer Rouge, which was driven from power by Vietnamese troops in January, 1979.

One of the defectors, Nguyen Van Kich, a 25-year-old radio operator from a village north of Hanoi, said he had often relayed orders to reconnaissance battalions to use a "poison powder" against Khmer Rouge guerrillas.

He said through an interpreter that Vietnamese troops dumped the white powder into streams and ponds from which Khmer Rouge guerrillas obtained drinking water.

He said about 300 guerrillas were poisoned to death in one incident in July, 1980, in 300-gallon drums once in western Cambodia. A week earlier, he said, five soldiers from his regiment died in the same area after drinking from a poisoned pond that they had not been warned about.

"A lot of people said the poison powder is made in the Soviet Union," he said. He said packages containing it were marked with words in a foreign language.

Another defector, Vo Nhat Dung, 25, who can read and write some English, said that the words on the 300-gram packages were Russian but that he did not know what they meant. He said the powder was issued to his unit, the 27th reconnaissance battalion of the 59th Division, to use in Pailin province in 1980. He also said that,

during fighting near the Thai border in June, 1980, some guerrillas died after being knocked out by 60-mm mortar shells containing a gas that "makes people sleep."

Nguyen Van Kich said that Vietnamese troops were sometimes given small vials of a liquid to drink in the event of chemical exposure if they were going to be "in a dangerous place."

Tran Van Dung, 21, from Ho Chi Minh City, said soldiers were given a capsule about two centimeters long with Chinese letters on it. If the soldiers smelled poison gas, he said, they were to break the capsule, sniff the contents and run away from the area. A similar antidote was described by an enlisted man interviewed in late April by U.S. officials.

Tran Van Dung, who crossed into Thailand on Feb. 28, said that, while involved in medical evacuation from fighting in January near the Khmer Rouge stronghold of Phnom Malai, he had seen guerrillas and Vietnamese troops affected by a chemical that caused the eyes to swell painfully, with some bleeding. He said three or four Vietnamese died out of about 50 affected by the chemical, which was delivered in 105mm artillery shells.

Swelling and bleeding from the eyes has been among the symptoms described by guerrillas battling the Hanoi-backed governments in Cambodia and Laos.

The fourth defector interviewed Friday, Tran Anh Tuan, a 21-year-old sergeant in the 28th artillery regiment of the 5th Division, said three kinds of chemical rounds were issued to his unit. He described two types as potentially lethal and the third as an incapacitant, all fired from captured U.S. 105mm artillery pieces. He said he had heard that some of the shells came from the Soviet Union but had not seen any proof.

# Tass Assails Reagan's New Security Strategy

**From Agency Dispatches**

MOSCOW — Tass has reacted angrily to the Reagan administration's newly formulated national security strategy, claiming that the plan threatens world peace.

The news agency charged Saturday that the U.S. program was intended to dominate the world "through blackmail, aggression, armed piracy and threats of unleashing a nuclear war."

The strategy laid out Friday by President Reagan's national security adviser, William F. Clark, "unambiguously made it clear that a buildup of military forces remains the basis of U.S. foreign policy objectives," Tass asserted.

In a speech at Georgetown University's Center for Strategic and International Studies, Mr. Clark said the Reagan administration intends to modernize strategic nuclear weapons and improve conventional armed forces to be able to respond to crises in various parts of the world.

He was critical of the Soviet Union, labeling it "the most prominent threat to our vital interests worldwide" and pledging improved "security assistance" to U.S. allies to counter Moscow's designs.

Tass denounced Mr. Clark's statement that the United States

"must be prepared to respond vigorously to opportunities as they arise and to create opportunities where none have existed before."

The agency said this was widely interpreted as a "direct bid for an increase in gross interference in the affairs of other countries and peoples."

Mr. Clark's speech shows that Mr. Reagan's new military strategy "presupposes the use of U.S. troops to provoke armed conflicts even if that will threaten universal peace," Tass concluded.

Mr. Clark said Mr. Reagan has approved a new military strategy in which U.S. forces need not engage those of the Soviet Union on all fronts simultaneously if a war breaks out. This was a significant refinement in the military strategy formulated thus far under the supervision of U.S. Secretary of Defense Caspar W. Weinberger.

Drawing from an eight-page National Security Decision Memorandum approved by Mr. Reagan last week, Mr. Clark said that the ultimate objective of the administration was to "convince the leadership of the Soviet Union to turn their attention inward," suggesting that this would avert Soviet threats to U.S. interests.

The speech was Mr. Clark's first since moving from the State Department to the White House staff in January. He noted that the president's strategy was the product of a three-month high-level study by all departments concerned with national security.

## 'Balanced Forces'

"Any conflict with the Soviet Union could expand to global dimensions," he said, but added, "This does not mean that we must have the capability to successfully engage Soviet forces simultaneously on all fronts. We can't."

"What it does mean is that we must procure balanced forces and establish priorities for sequential operations to insure that military power would be applied in the most effective ways."

The strategy made official a

theme that several administration officials have hinted at: exploiting Soviet economic weakness. "We must force our principal adversary, the Soviet Union, to bear the brunt of its economic shortcomings," Mr. Clark said. He gave no details.

In New York, Mr. Weinberger said that the administration is moving to stop the sale to the Soviet Union of technology that could be used against the United States. On Thursday, U.S. Commerce Secretary Malcolm Baldrige announced a new program to counter the flow of advanced military-application hardware to the Soviet Union.

Until now, the Reagan administration's basic military strategy under Mr. Weinberger has called for the U.S. armed forces to prepare for a conventional war with the Soviet Union that would be protracted and global.

Mr. Clark said that the president ordered a review in February of national security strategy, which he said had been "a collection of departmental policies" developed during the first year of the administration.

He said Mr. Reagan was particularly anxious to make sure that discussions with Congress on cuts in military spending and negotiations with the Soviet Union on reduction in nuclear arms were based on "a well-thought-through, integrated strategy for preserving our national security."

When the Reagan administration took office it criticized the Carter administration for basing military budgets on what it said were economic considerations rather than military need.

The Reagan administration's approach, however, began to crumble last summer, when prospects of soaring federal budget deficits led the administration to reduce projected military spending for the next three years.

# Italy May Reward Guerrilla Suspects For Cooperation

**Rome**

ROME — A parliamentary commission has agreed on a draft law that would give suspected urban guerrillas already detained up to four months to decide whether they want to switch sides and cooperate with the government.

The law would permit magistrates to give repentant guerrillas reduced jail terms and even provisional liberty, depending on the charges against them.

The proposed legislation, introduced last year after a decade of assassinations and violence by extremists, has been criticized by some lawyers as undermining the rule of law.

If approved by Parliament, it would introduce new clemency rules for detainees who cooperate in the investigation of political violence up to Jan. 31.

The rewards permitted range from the commuting of life imprisonment, even for the most violent offenses, to the granting of provisional liberty.

# Libya Recalls Envoy, Closes Mission in Zaire

**United Press International**

BEIRUT — In an apparent break in diplomatic relations, Libya has closed its embassy in Zaire and recalled its diplomats from Kinshasa, the official Libyan press agency reported.

The agency said Saturday that the decision was taken in response to Zaire's recent restoration of diplomatic ties with Israel.

**B**

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# On the Argentine Pampas, They Talk Not of War, but Only of 'La Situación'

By Margot Hornblower

Washington Post Service  
CARLOS CASARES, Argentina — The handwriting on the crumpled letter is childish. The words are simple:

"Dear Brother and Sister-in-Law: It is very cold. They sent us to dig a trench for a cannon. I'm on top of a hill. It is a pretty place. You can see the whole sea, the town, the coast. It's all very beautiful but not when you're here like this, sleeping in a cave underground and eating only when the next truck comes around."

"They told us today that the English would come between the 24th and the 28th and the fighting would start. But I don't believe a word of it, because the news on the radio says the negotiations are still going . . ."

"Don't worry about me, the only bad thing is the wind and the cold. I love you very much and I miss you, Guillermo."

In a small square house in this faraway village on the pampas, Jorge Duverni, 27, reads and rereads his brother's last letter. Until three

weeks ago, Guillermo, 18, a private in the Argentine Army, wrote his family every day from the Falkland Islands, known here only as the Malvinas.

"But we've heard no news since April 27," said Mr. Duverni, a coach at the local technical school. "We've sent three prepaid telegrams — you get 11 words, no charge — just so he could tell us he's fine. But nothing. Every day I'm scared they're going to tell me he's dead."

## 'La Situación'

In Carlos Casares, a dusty little town in a cornfield, five hours' drive from Buenos Aires, they call it *la situación*, or *el problema*.

More than a thousand miles southeast of here, in the middle of the ocean, men are dying. But it is a situation, a problem. No one wants to call it a war.

Mr. Duverni and his neighbors sit glued to their transistors. But the government-controlled radio does not talk about dead Argentine boys. The chatter is of victory and downed

British planes and how the British landing has been "controlled."

"One day we woke up and we heard that we had invaded the Malvinas Islands," said Mabel Gutiérrez, a doctor's wife here. "It is a struggle we were not ready for. We don't want to believe that we are a country at war. We don't think about where this might take us — maybe to a third world war."

## Defending Territory

For the time being, the doubters are few. No one knows how many have died, so the cost of the April 2 "reoccupation" of the islands — seized by Britain 149 years ago — is unclear. The hears of most Argentines still swirl with pride that finally, as they have been taught since nursery school, "the Malvinas are Argentina's."

"My brother wanted to go," Mr. Duverni said. "We are fighting for Argentine territory. We must defend what is ours. Yes, many mothers are suffering. But if we have to go, we have to go."

Winter is coming to the pampas. This morning, a thin coat of frost spread across the flat field of gold and green. Windmills turned slowly. White egrets look refuge among the Black Angus in the shadows of eucalyptus trees. The stillness stretched out to the horizon.

This is the breadbasket of Argentina, a vast plain where some of the rich topsoil is 12 feet deep and the settlers, mostly Italian and Spanish immigrants, have prospered, raising grass-grown beef and exporting grain, most recently to the Soviet Union. El Rotary Club and Club de Leones flourish.

## Supporting the Cause

The town has done its bit to support the Argentine troops. More than a dozen local youths are serving in the military down south. The volunteer firemen have collected, door to door, for the Patriotic Fund, the government's money-raising effort for the war. The television station here held a 10-hour telethon in

which people donated wedding rings and religious medals to the cause. The farm bureau is holding an auction next week, and all local farmers are expected to contribute cows and grain.

At the General San Martín High School, principal Jorge O. Quintana proudly displayed a flowered notebook full of names, a list the school has compiled of blood donors in case they are needed. Students have sent packages of food, letters and hand-knitted scarves to the front, he said.

As he spoke, a loudspeaker blasted music from the courtyard, where 200 children in white frocks and blue blazers sang "The Malvinas March."

"Although you are absent, you are conquered."

Under a foreign flag.

Then our fatherland in its extension . . .

The lost austral pearl."

his bicycle repair shop, is more confused than inspired. His son, Roberto, 19, is a sailor on the 25th of May aircraft carrier. Mr. Abate wrings his gray-tinged hands. "Why are the English so cruel?" he asks. "They are killing a lot of people today."

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"The U.S. is traitor to the cause of America," he said. "It is no longer the older brother which defends us."

## Britain Again to Seek EEC Support in Crisis

From Agency Dispatches

BRUSSELS — Britain is faced with two difficult tasks as the European Economic Community's foreign ministers gather for talks Monday — maintaining West European support for its position in the Falkland Islands and smoothing over a dispute between itself and the EEC.

Francis Pym, Britain's foreign secretary, will meet with other EEC foreign ministers for two days of talks in Brussels, and diplomats said the two problems would be the subject of difficult discussions.

An EEC ban on imports from Argentina expires Monday, and Britain wants it renewed. But the failure to achieve a diplomatic settlement on the Falklands and the start of a British invasion of the islands could make some countries reluctant to extend the sanctions.

Relations between Britain and the nine other members of the EEC have been strained by a dispute over farm-price increases and Britain's demand for larger refunds from the EEC budget.

## Full Renewal Unlikely

British officials conceded Saturday that they were unlikely to win full renewal of the sanctions against Argentina when the question is taken up by the foreign ministers. They said they would "be encouraged by some form of support," even though it "may not be in the same manner."

The sanctions, imposed five weeks ago, were extended for one week in Luxembourg May 17 by eight member nations of the EEC. Italy and Ireland refused to vote for the extension but promised not to import Argentine goods for that period.

The brevity of the extension was taken as a sign of the reluctance of

EEC members to continue the ban. The measure originally was adopted as a means of forcing Argentina to negotiate a settlement. In Luxembourg, several foreign ministers said the week's extension was designed to allow time to evaluate negotiations, which have since collapsed.

From the start, Britain's interest in the ban on Argentine imports has been mainly for its value in demonstrating political support for the British cause. Britain's strategy now could be to try to fashion some other form of backing.

## Staunchest Supporters

So far, West Germany and France have been among Britain's staunchest supporters in the Falklands crisis, mainly because of their own fears — Germany's about Berlin and France's about its small colonies.

In Italy, the ancestral home of about 40 percent of Argentines, officials stressed their support for a negotiated settlement and their unhappiness about military action.

For months, Britain has demanded big rebates on its EEC budget payments, and until last week it had continued to veto EEC farm-price increases as a lever for its demands. But at a meeting in Luxembourg last week, the community overrode Britain's veto.

The British government has already had to modify substantially its original demands for a multi-year deal on budget rebates. The sums of money involved have also diminished.

The foreign ministers will also be discussing Italian-West German proposals for a "European act" to strengthen the community. This will be directly linked to last week's override of Britain's veto.



Falklanders in one of the first settlements retaken by the British share tea with a welcome visitor.

## U.S. Gloomily Assesses Fallout From the Crisis

By Bernard Gwertzman

New York Times Service

WASHINGTON — Reagan administration officials say that the Falkland Islands conflict is creating a long-term, major shift in attitudes and policies throughout South America that inevitably will be harmful to U.S. interests.

This gloomy analysis is said to be shared by many of the administration's most respected experts on Latin America and is a reason why the administration has spent so much time trying to mediate the dispute and then, after taking Britain's side, to do as little as possible publicly for the British.

"I think we are dealing with a sea of change in South America," an official said Saturday. "A lot of it will take some time to develop because Latin America is very fragmented."

In conversations with officials Saturday and in recent days, they outlined the following problems that loom in the future for the United States:

• No matter what the outcome of the Falklands conflict, Argentina is more likely to develop an atomic bomb as a sign of military strength. If this happens, Brazil, the continent's largest power, will

be psychologically pressed to do the same. Such developments would be disastrous to Washington's hopes of limiting the spread of nuclear weapons.

• Traditional U.S. efforts to limit the sale of conventional weapons to Latin America so that scarce resources could be devoted to economic improvement will be rejected throughout the area. Local military leaders will be able to argue that the "lessons of Argentina" are that every self-respecting country must have the most advanced weapons.

• American political leadership in the hemisphere has been dealt a serious blow, perhaps an irreparable one, by the decision, taken with some anguish by the administration, to side politically and to a limited extent, militarily with Britain. In the short term, it may be much more difficult to gain Latin backing for specific projects in Central America, aimed at countering Cuban subversion.

• The Soviet Union, which has for many years been looking for opportunities to gain influence in South America, will undoubtedly be looked to by many countries as an alternate supplier of military supplies and a market for South

American exports, a trend that had been under way in recent years anyway.

• Washington's backing for Britain is already being translated in Latin America into ethnic terms, with the "Anglo-American-Europeans" being seen as contemptuous of "Latinas," and this could produce a worsening of existing hostility toward the United States.

## Necessary Choice

Senior officials insist that they were fully aware of these possibilities from the start of the Falklands crisis and that is one of the reasons that Secretary of State Alexander M. Haig Jr. undertook his diplomatic efforts last month to mediate the dispute. It was felt that if Mr. Haig were effective, it could limit the future damage to American policies in the region.

But the administration's most senior officials insisted that in the end a choice had to be made on whether the principle of nonuse of force to settle disputes would be supported or not. And that is why the administration chose, when the diplomatic efforts failed, to side with Britain publicly.

It was recognized, an official said recently, that the United

## Britons Proud, Relieved at News Of an Invasion With Few Fatalities

By Jay Ross

Washington Post Service

LONDON — Defense Minister John Nott strode beaming to the rostrum for his news conference and immediately displayed his prize possession — a picture of a Royal Marine sipping at a tin mug of tea and talking to a Falkland Islands mother and her towheaded children.

"I hope you give this picture wide circulation around the world," he told reporters eager for news about the fate of the British invasion Friday of the Falklands. The picture made his point — that British troops were liberating women and children from their Argentine conquerors.

Then — taking advantage of a televised news conference Saturday afternoon, on a day when Britons were glued to the television awaiting the year's biggest sporting event, the Football Association Cup soccer match — Mr. Nott said, "The major amphibious landing yesterday was a complete success."

## After weeks of frustrating nego-

tations and rumors of war, the invasion was finally under way, and Mr. Nott was the personification of confidence. "We are back in the Falkland Islands and back in strength," he said. "We intend to ensure that aggression does not pay."

## 'Repossesses the Islands'

Asked what happens next, he said, "We're not just going to sit on our hands. We are going to repossess the islands."

He saved the bad news for last. One frigate had been sunk and about 20 men were missing, adding to earlier figures of three dead and 27 wounded in Friday's fighting.

Still, after a night of tension following reports of heavy losses as a result of what were described as virtual suicide raids by Argentine jet pilots, it could have been much worse.

Britons breathed a noticeable sigh of relief. Michael Nicholson, a television reporter with the Royal Navy task force, described the mood in the fleet, which undoubtedly mirrored that of many Britons. There is, he said, "unconcealed pride [that] so much was accomplished so quickly with so little loss of life."

Prime Minister Margaret Thatcher also reflected this attitude, saying, "Our boys have been absolutely magnificent, as you might expect."

## Headquarters Briefing

Mrs. Thatcher met with her war Cabinet in a session dominated by consideration of the military situation, then went to naval headquarters at Northwood for a briefing before going to Chequers, the prime minister's country estate.

An eyewitness report of the British landing was provided by Independent Radio News correspondent Kim Sabin, who went ashore with the commandos from the troopship Canberra. In his report, which was subject to military censorship, Mr. Sabin said:

"As the sound of air and ground attacks still echoed around the bay, we went ashore by landing craft, wading through the water for the last few feet to set foot for the first time on Falklands soil. We marched for three kilometers across boggy, windswept terrain and fanned out with constant helicopter support."

"As the weather changed and rain came in, we reached a settlement. Some 500 locals, including up to a dozen children, were busy ferrying ammunition to gunners using their tractors and trailers, dishing

out soup and tea to the troops and providing much needed shelter."

All the time, Argentine jet fighters screamed overhead. Gray and black smoke billowed from around the anchorage.

The British popular press was quick to credit, in some cases even before the casualty toll was known.

The Sun, the country's largest circulation daily, ran a 2 a.m. special to publish a front-page picture of Marines hoisting the Union Jack at Port San Carlos. "The flag of freedom flutters again over the Falkland Islands," the newspaper said, calling the landing "probably this country's most historic moment since the German surrender of 1945."

So momentous was the event that The Sun altered its war look. The standing headline on Page 2, and 3 calling it "The paper that supports our boys" gave way to "Black smoke, we belong." The Sun's daily topless beauty, who normally unfurls herself to readers on Page 3, was pushed back to Page 13.

The Daily Express simply headlined the story, "We're back." It also focused on problems for the monarchy in the crisis, particularly the fact that Prince Andrew, Queen Elizabeth's second son, is Sea King helicopter co-pilot in the task force. Seven Sea Kings have crashed due to mechanical problems.

The Express was also concerned that Prince Andrew's sister, Princess Anne, may have had to shake hands with Argentine-born soccer star Ricky Villa at Saturday's cup final. The princess was introduced to both teams, but Mr. Villa, who has been subjected to booing and catcalls since the confrontation began, decided not to play for his team, the Tottenham Hotspurs.

Perhaps the photo-waving by Defense Minister Nott was a key to the British sense of confidence over the invasion. For weeks, the press and Defense Ministry had been involved in a mini-war over the Royal Navy's refusal to allow pictures to be transmitted from the task force.

The ministry had cited operational and technical difficulties, but Friday night, with a victory in hand, pictures were transmitted in time to make the morning editions.

Another sign of success was that U.S. correspondents were allowed into the ministry for a rare, not-for-attribution briefing. Many of the office doors were adorned with stickers saying, "Save our Falklands."



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## Caribbean Nations May Suspend U.K. Ties

New York Times Service

MEXICO CITY — The Spanish-speaking countries of the Caribbean region, who have supported Argentina throughout the Falklands crisis, are reportedly discussing the possibility of suspending diplomatic relations with London following the landing of British troops on the islands Friday.

Diplomatic sources here said Ecuador has taken the lead in seeking some joint action by Latin American countries against Britain and has consulted with Panama, Venezuela, Nicaragua, Mexico and Peru, although no consensus has yet emerged.

## prevent the dispute from affecting

its relationship with the United States. In a statement Friday, the Mexican Foreign Ministry "lamented" the new use of force in the conflict. Although supporting Argentina's claim to the Falklands, Mexico condemned "the occupation of the islands by Argentine forces."

Significantly, Mexico was one of only three Latin American nations not to send its foreign minister to a meeting on the issue at the Organization of American States last month. Diplomatic sources said the meeting, which was not formally closed, will be called back into session in Washington this week.

## which people donated wedding rings and religious

medals to the cause. The farm bureau is holding an auction next week, and all local farmers are expected to contribute cows and grain.

At the General San Martín High School, principal Jorge O. Quintana proudly displayed a flowered notebook full of names, a list the school has compiled of blood donors in case they are needed. Students have sent packages of food, letters and hand-knitted scarves to the front, he said.

As he spoke, a loudspeaker blasted music from the courtyard, where 200 children in white frocks and blue blazers sang "The Malvinas March."

"Although you are absent, you are conquered."

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Then our fatherland in its extension . . .

The lost austral pearl."

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inspired. His son, Roberto, 19, is a sailor on the 25th of May aircraft carrier. Mr. Abate wrings his gray-tinged hands. "Why are the English so cruel?" he asks. "They are killing a lot of people today."

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## Zambians Await a Sign Of Some Reward From Kaunda-Botha Talks

By Alan Cowell

New York Times Service

LUSAKA, Zambia — In public at least, there are more hints and hopes about the outcome of last month's meeting between President Kenneth D. Kaunda and Prime Minister Pieter W. Botha of South Africa.

Mr. Kaunda met Mr. Botha on the border between South Africa and Botswana on April 30, and the encounter elicited harsh criticism because it was not previously cleared with the Zambian leader's front-line colleagues.

The alliance, made up of Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe, is by tradition black-ruled Africa's main pressure group in any negotiations concerning the advent of majority rule in southern Africa.

The outcry against Mr. Kaunda recalled earlier opposition to his policy during the seven years of conflict that transformed white-ruled Rhodesia into independent Zimbabwe. During that period, Mr. Kaunda met with Ian D. Smith, then prime minister of Rhodesia, and John Vorster, then prime minister of South Africa. That mediation effort brought criticism from his colleagues but the negotiations led directly to the release from detention of Robert D. Mugabe and Joshua Nkomo, the men who led the guerrillas to independence in 1980. Mr. Mugabe is now Zimbabwe's prime minister and Mr. Nkomo the minority leader.

According to Zambian and Western sources, Mr. Kaunda carried with him several signals for Mr. Botha. "One, as subsequently publicized, was the message that South African whites must talk to the 'true' leaders of the country's black majority, such as Nelson Mandela, whose release from imprisonment Mr. Kaunda reportedly sought. The alternative, the Zambian view, is a revolution. Mr. Botha, according to a Zambian source, re-

plied that he would discuss the matter with his colleagues, causing some small sense of encouragement.

According to Zambian and Western sources, Mr. Kaunda also gave an assurance that South Africa need not fear for its security if South-West Africa (Namibia) becomes independent under a government run by the South-West Africa People's Organization.

The SWAPO insurgents are fighting a guerrilla campaign against South African dominance in South-West Africa and are armed and supported by the Soviet Union and its allies. In the Zambian view, however, the guerrillas are not "puppets of Moscow," but nationalists who would not allow their country to be used as an operational base by the Soviet-supported guerrillas of the African National Congress, which opposes white rule in South Africa.

Zimbabwe Parallel

A prominent Zambian, in tune with official thinking, compared the Namibian nationalists to Zimbabwe's guerrilla fighters who, he said, had at the insistence of the Front-line countries refrained from offering bases on Zimbabwean territory to the African National Congress.

"We did not allow it in Zimbabwe, we would not allow it in Namibia," the Zambian source said.

A consensus among Zambians and Westerners here is that Mr. Kaunda would not have taken the political risk of meeting Mr. Botha without guarantees that his efforts would be rewarded. But, on the Namibian issue, Mr. Kaunda's assurances about the guerrillas seem to have been partly contradicted by the insurgents themselves.

The guerrilla group rejected the latest Western proposals for a settlement a day after Mr. Kaunda met Mr. Botha, and U.S. officials believe that the Soviet Union had already told the guerrillas that Kremlin support would not waver



Pieter W. Botha

if the insurgents chose to dismiss the Western plan.

Zambians almost seem to be scouring the horizon for an omen from Pretoria, as evidenced by an editorial Tuesday in The Times of Zambia, a newspaper that sees its role as an interpreter of official policy to its readers and as a conveyor of popular sentiment to the government. The column reflected on remarks by Mr. Botha last weekend in which he urged South Africans to "make peace with neighboring African states."

The editorial was clearly intended, in part, as a signal to Pretoria. It congratulated Mr. Botha and encouraged him to continue in like vein. "The so-called gospel according to Kaunda is seemingly paying dividends," the article rejoiced, while cautioning Mr. Botha to avoid playing for time and to call off his military strikes into Angola, Namibia's northern neighbor.

The comment was evidence of a profound desire by Zambians to see some recompense for Mr. Kaunda's extension of the olive branch after years of making sacrifices on behalf of others in southern Africa's liberation wars.

You've no idea how isolated we Zambians have become among other Africans after the meeting with Botha," a Zambian said.

Despite the April 30 meeting, South Africa last week raided southern Angola, where the Namibian insurgents are based.

## Western Mediators Seem to Change Tactics on Namibia

By Joseph Lelyveld

New York Times Service

JOHANNESBURG — The five Western nations that have been trying to mediate between South Africa and the South-West Africa People's Organization appear to be revising their tactics to revive the stalled negotiations on an independence plan.

When they laid out the ground rules for their latest initiative last year, the Western nations said that the negotiations would be divided into three phases and that agreement from both sides would be needed at each stage before formal proposals were made to resolve the issues in the next one.

That approach failed this month when the insurgents spurned both a proposed voting formula for the election of a constituent assembly and the phase-by-phase approach itself. Now, according to Western diplomatic sources, drafting has

begun on the proposals for the next phase, which concern the machinery for enforcing a cease-fire and the role of a UN peacekeeping force.

Indications are that these proposals will adhere closely to plans originally drawn up by the United Nations four years ago and will not reflect major concessions to South Africa. SWAPO, it appears, will then be asked to reconsider the voting issue in the context of the broader proposal.

There is no indication that South Africa has agreed to reconsider the complex voting formula, which would mix the proportional representation system of voting with direct election on the basis of defined constituencies. But there is speculation that South Africa has agreed to help speed up the negotiations by dropping its major objections to the old UN plan.

These were stressed at the start

of last year, when the major sides in the dispute on South-West Africa (Namibia) went to Geneva to discuss a cease-fire date. South Africa then said it would be impossible to discuss a date until the United Nations demonstrated its "impartiality" by rescinding a resolution recognizing the insurgent movement as the "sole and authentic representative" of the Namibian people.

South African diplomats later insisted that they could not agree to the stationing of a UN force in the former German colony, which South Africa received under a League of Nations mandate after World War I.

Now "impartiality" and the role of the UN force appear to be fading as issues. South African officials decline to confirm a press report from London that they have already accepted the proposals for the next phase, but last year's ma-

nor issues, which were expected to be the big stumbling blocks to the present initiative, are now discussed as if they were minor.

If this stance is maintained, there will be heavy pressure on SWAPO to put aside its objections to a voting formula to achieve a cease-fire that would end the guerrilla fighting in the northern part of the territory. Otherwise, the movement will have cast itself in the role of the recalcitrant party, which South Africa formerly played.

The movement's reasons for objecting to the voting formula have been about as obscure as South Africa's reasons for insisting on it. But it appears that the movement felt that the Reagan administration was tailoring the tactics of the Western group — the United States, Britain, Canada, France and West Germany — to accommodate South Africa.

South Africa's reasons for insist-

ing on the mixed voting system, in which each ballot would, in effect, be counted twice, seemed to result from two conflicting aims. One is to ensure that rightist whites supporting the National Party in the territory are represented in the assembly that would draft the constitution for an independent Namibia.

Since the whites are almost everywhere outnumbered by blacks, this can only be insured under the proportional representation system. But that also happens to be the system that most favors SWAPO, whose support is thought to be heavily concentrated in the northern part of the country.

Since it is South Africa's other main aim to see that the insurgents fall short of the two-thirds vote that would be necessary to control the assembly, it follows that it also favors the system of direct voting as a way of diluting the movement's support.

## Visa Crackdown Infuriates Ethiopians in U.S.

By Caryle Murphy

Washington Post Service

WASHINGTON — The news stunned Washington's Ethiopian community. For days its members talked of nothing else. A few called their bosses and said they were not coming to work, they were going to hide. Others called lawyers. Community leaders set up emergency meetings.

The U.S. State Department, citing "stabilized" conditions in Ethiopia, had revoked a special visa arrangement that had allowed hundreds and possibly thousands of Ethiopians to live and work indefinitely in the United States because of the turmoil and violence in their country since a Marxist takeover in 1974.

The initial shock has abated, but the bitterness, outrage and fear created by the decision still dominate the Ethiopian community here. "If I was ever caught [back home] I would not have a minute to live," said a 31-year-old, part-time student and taxi driver who, like hundreds of others, has

received a notice to leave the United States.

State Department officials say the decision to change the policy last August reflected two things: a finding that random violence has abated somewhat in Ethiopia and a desire to stop what they regarded as an abuse of the visa process by Ethiopians.

None Deported Yet

The U.S. Immigration and Naturalization Service has not made a special effort to seek out Ethiopians whose visas are no longer being extended and no one has been deported yet because of the new policy. After Ethiopians receive a notice to leave the United States, they can apply for political asylum, a process that can take up to 18 months and one the State Department says will protect the truly endangered from expulsion.

Ethiopians are being turned down for lack of sufficient proof that the petitioner would be in danger if he or she returned to Ethiopia. For example, at the end of January, 1,389 asylum applications from

Ethiopians were on file. Of the 159 processed between October and then, 119 were denied and 40 approved.

Eventually some Ethiopians "will be deported because there are so many of them," said Dan Bartlett, assistant district director of the immigration service for deportation in Washington.

The Ethiopian Committee on Immigration, formed to lobby against the new policy, estimates there are at least 25,000 Ethiopians in the United States and says "the overwhelming majority" are affected by the new ruling.

Many Ethiopians say they would like to return home if and when conditions there show drastic improvement. But they believe that is unlikely to happen soon, so over the past few years they have formed the basics of a resident community here.

A Giant Loophole

The visa change comes at a time when the United States continues to take in Ethiopian refugees. Concern about Ethiopians circumventing this official refugee

entry route forced the visa policy change, according to one U.S. government source. The move was meant to close "a giant loophole" by which increasing numbers of Ethiopians came to the United States in 1980 and 1981 on tourist or student visas and then applied for the special visa extension.

One person who favors the State Department's decision was the chargé d'affaires of the Ethiopian Embassy, Tesfaye Demeke. He called it a "legitimate" decision because "Ethiopia has one of the most stable governments in Africa."

His government has offered an unconditional amnesty to all exiled Ethiopians, who "would be better off morally, maybe not materially, if they could utilize the skills they have acquired for the betterment of the people at home rather than engaging in the manual labor they do here now," he said.

Mr. Demeke said some Ethiopians were already returning home and he blamed the "negative" U.S. press coverage of events at home for the reluctance of others to do the same.

## China Commands Its Artists: Obey And Be Humble

The Associated Press

PEKING — China celebrated the 40th anniversary of Mao's dictates on art Sunday by ordering artists to be humble, live with the masses, discard "perverse trends" and obey the Communist Party.

China no longer honors Mao's pronouncement that politics must take command of art and that artistic merit must be secondary. Despite a relatively freer atmosphere, however, art for art's sake is still taboo and China demands that art serve Socialism.

The state has issued warnings against a few pessimistic writers who question the wisdom of the Communist Party, the superiority of Socialism, the virtue of China's leaders and the nation's future.

The official People's Daily quoted a speech on art by Vice Chairman Chen Yun, who wrote in 1943 what the party is demanding of artists today: "They must first see themselves as ordinary Communist Party members, not as special, cultural persons."

## Conservationists in Zambia Worried By Growing Trade in Rhino Horns

By Alan Cowell

New York Times Service

LUSAKA, Zambia — Conservationists who seek to protect Zambia's wildlife herds are concerned over conflicting developments that may represent an increase in the illicit killing of rhinoceroses, a declining species in most parts of Africa.

While game wardens patrolling the Luangwa National Park, the main preserve of Zambia's rhinos, have reported increased sightings of the animals, the number of rhinoceros horns being offered for illegal sale in Lusaka is increasing.

Michael Faddy, a conservationist, said that poachers have been caught in the past two weeks trying to sell eight horns for about \$1,100 each. "There are a lot more rhino horns coming into Lusaka than we have ever had before," he said.

Coincidentally, the future of some of Zambia's wildlife patrols

is in doubt, he said, because a contract with the World Wildlife Fund to finance anti-poaching units is to end in December and it is not clear where other funds will come from.

Organized Poachers

Zambia's herds of elephants, rhinoceroses and other animals have been reduced over the years by organized poaching gangs that, Mr. Faddy said, seem to have powerful connections.

One reputed poacher was recently caught with 36 elephant tusks. The man produced official certificates of ownership, but the weights shown on them did not tally with those of the tusks. He was charged with illegal possession of ivory, and at the time similar accusations against him were awaiting hearings in several other courts.

The man, however, was acquitted after his lawyer said that he was transporting poached ivory to hand over to the authorities when he was caught. Conservationists believe that the man's frequent acquittals have resulted from high-level backing.

Daggers and Aphrodisiacs

The fate of the rhinoceros is of particular concern to conservationists in Zambia. A census by the UN Food and Agriculture Organization in 1973 estimated the number of rhinos at 8,000. By 1978, a survey by Ian Douglas-Hamilton, a wildlife expert, put the figure at between 1,700 and 2,000 — an estimate that Mr. Faddy said may have been excessively optimistic.

Rhinos are hunted mainly for their horns, which are used, in Yemen in particular, for highly

sought-after dagger handles. A powdered form of the horn is also sold in the Far East as an aphrodisiac.

The smuggling of the horn is highly organized, Mr. Faddy said, and "trade runs from Zambia, through Western Europe and to Yemen and the Far East. In one seizure in 1980, he said, the West German police found 71 horns, all of them from Zambia.

Although the 1973 and 1978 censuses were carried out by different methods, there was so much concern about Zambia's rhinos that in 1979, the World Wildlife Fund agreed to finance anti-poaching units run by an organization called the Save the Rhino Trust.

In 1980, the units arrested 220 persons suspected of poaching, and in 1981, they arrested another 346. In the same period, they recovered 32 rhino horns, seized 198 firearms and brought in 557 elephant tusks, some of them poached and some from animals that appeared to have died of natural causes.

Mr. Faddy, who is chairman of the Save the Rhino Trust, acknowledged that organizers of the poaching rings, some of them believed to be foreigners, have managed to elude the authorities.

In the meantime, concern is focusing on the rhino horn sales in Lusaka. Mr. Faddy said small-scale poachers who had not been aware of the value of rhino horn now believe it is worth its weight in gold. Another theory is that poachers in neighboring Zimbabwe are bringing rhino horn into Zambia.

## Cevdet Sunay, 82, Former President Of Turkey, Dies

Reuters

ISTANBUL — Former President Cevdet Sunay, 82, whose term of office between 1966 and 1973 was dominated by feuds between politicians and the military, died Saturday in Istanbul, state radio reported Sunday.

Mr. Sunay, a military man, was comparatively unknown until he was elected president in 1966.

In March, 1971, Mr. Sunay was at the center of a major political crisis when the military forced the resignation of Premier Süleyman Demirel, conservative government minister and demanded an administration above party politics.

In the months that followed, Mr. Sunay persuaded Nihat Erim to form a government acceptable to the military. During the early 1970s, Mr. Sunay was a key figure in the preservation of parliamentary democracy.

Louis Gerardin

PARIS (AP) — Louis Gerardin, 69, a French cycling great during the 1930s and 1940s better known as Toto, died here Sunday. Over a 20-year period, ending with the French professional championship in 1950, he was one of the best-known and most popular cyclists, winning 10 major titles.

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# Herald Tribune

Published With The New York Times and The Washington Post

## South Atlantic War

### Two Flags: And Now, Enough

Britain has evidently retaken a piece of the Falklands — enough, at least, to plant the flag and transform the contest. This is an impressive military feat for an armada far from home, but it has exacted a bitter price. Scores lie dead, Britons and Argentines. Even through the mist of censorship and propaganda, one can see the grim wreckage of diplomacy. Two flags in the Falklands should now revive it, and end the bloodshed.

What was it all for? No vital interest was at stake for either nation. One answer is tragically familiar. Humankind is at its foolish and bloody worst when it fights for flags and anthems; in Swift's sardonic view, it murders over the proper way to crack an egg.

But there was another reason, best given by Prime Minister Thatcher. By invading the Falklands, Argentina turned a diplomatic dispute into a military aggression. Unless it was resisted and punished, the deed would encourage aggression elsewhere.

That argument is abstract but persuasive, the more persuasive for the tyrannical character of Argentina's government and the obvious wish of 1,800 Falklanders to avoid its domination. The argument well justified support for Britain by the democratic nations.

But now the point has been made. The aggression has been punished and denied success. The Argentine junta has abandoned its arrogant view that the seizure was not negotiable. A British flag and foothold in the Falklands gives both sides an equal incentive to bargain in good faith. Just as important, the new situation gives both governments a politically safe perch from which they can move toward a tenable compromise.

The latest round of negotiations actually brought the parties very near to a deal. Argentina finally agreed to withdraw its troops provided that Britain pulled its armada out of the South Atlantic. Both looked to a neutral interim administration. And there were at least vague suggestions that the result of the negotiation need not be pre-ordained.

Yet after stiff-arming the Argentine claims while they held the islands these past 149 years, the British were properly fearful of a trap. They knew how important tenancy and squatters can be in protracted territorial disputes. And so they were reluctant to leave off the battle while Argentines retained a unilateral physical or logistical advantage. Now that both sides are militarily established in the islands, the interim arrangements are likely to be more fair — and more interim.

Once blood was spilled, both governments became hostage to powerful domestic pressures. Neither is likely to survive a settlement that is perceived as a defeat. That points toward a delay in the determination of ultimate sovereignty, ideally through submission to the World Court. It also points to a contractual governance, engaging the consent of both nations, for a lengthy interval.

Two flags in the Falklands should allow importing a third, from the United Nations. Then a cease-fire can be credible and tolerable. Argentina will have bloodily bought a quarters place at the table. Britain will have bloodily regained its seat. That is about all the jingo honor that either side should require, or expect. If this conflict justified the loss of life, it no longer does.

THE NEW YORK TIMES.

### A Settlement Remains Possible

When the Falklands crisis began, people in many places warned each other not to take it as a Gilbert and Sullivan opera, but in fact many people — although not the British military — did so take it. They can do so no more. There were casualties earlier, but they occurred in a limited context, and negotiations promising the end of the conflict were still going on. Now casualties are being inflicted and taken in a much more open-ended context, and no negotiating process is alive. Real lives are being lost. The fate of governments, perhaps even the future of nations, is in the balance. There are ominous if uncertain global implications. It is war.

Mrs. Thatcher faced an excruciating dilemma: whether to stay in negotiations and risk losing a diminishing military opportunity, or to break off negotiations and accept the heavy risks and costs of battle. Leading as she does a democratic society, she is sure to be faulted as well as praised for the decision she took. But the important fact now is that she took it, and that she took it in the name of a principle — to prevent conquest by force — that is central to Western tradition and to the requirements of world order. It is essential and it is right that the United States should be on the British side.

As difficult as was Mrs. Thatcher's decision to escalate military action, she will inevitably face a second and, in its way, no less difficult decision: the conditions on which to stop the fighting. She has removed from the table the concessions Britain had made in

weeks of negotiating. That puts upon her an urgent requirement to formulate her terms soon. This will be no easy thing, especially if the military action produces, as it could, casualties and conspicuous losses of hardware but also something less than a prompt, clear-cut verdict. The claims of honor can generate conflicting judgments of how far and how long a nation should fight on. Mrs. Thatcher's judgment will be of consuming interest to her people and to her allies.

The curse of this war — of almost all wars — is that nations do not look ahead. The Argentine junta, for instance, actually seems to have believed it could pull off its little aggression scot-free. What is for the United States still mostly a diplomatic embarrassment, and for Britain still mostly a crisis of one government's policy, is for Argentina a climactic moment in its national life, an event likely to shape its politics and cultural orientation for years. The Argentines cannot be confident of what may come next.

At the United Nations, the secretary-general has passed the burden of diplomacy back to the Security Council, where Britain's veto guards any unacceptable turn. Yet a negotiated settlement remains essential. Blood thickens emotion. But if emotion can be kept from entirely blocking a rational consideration of national interest, then the differences between Argentina and Britain, which appear to be eminently susceptible to resolution, can surely be closed.

THE WASHINGTON POST.

### Other Opinion

#### 'An International Crisis'

Although Gen. Gallieri now wears the tunic of peace and expresses astonishment in the face of Britain's armed action, it is obvious that the hostilities in the South Atlantic were initiated by Argentina.

There will be hundreds of dead and an international crisis because of the infamous adventure of a military regime which in the past devoted itself to torturing its citizens, and which has behaved like an armed gang.

— From El País (Madrid).

The Falklands war is absurd and painful. The British forces, as was expected, have set out to regain the islands, despite the world's ardent hopes that the feud be settled through diplomatic channels. This is a war that must be stopped as quickly as possible.

— From Ya (Madrid).

For the United Nations machinery, and especially for the new secretary-general, the escalation of the war is a serious setback. Members of the Latin American UN group are expected to react against what is now happening, in one way or another. But no member of the world organization can accept that Argentina tried to take the law into its own hands by use of force, because that would be to violate the UN Charter.

— From Verdens Gang (Oslo).

Having sided with Britain morally and otherwise, the United States nonetheless has to worry about the divisive impact of the

intensifying Falklands conflict on its Latin American relations. Washington's place as the linchpin of the hemispheric order and solidarity is in jeopardy.

— From The Japan Times (Tokyo).

#### In Britain's Long-Term Interest

It would be unwise to expect — as Mrs. Thatcher seems to do — that restoration of British control of the Falklands and the expulsion of the Argentine forces will mean simply a return to the status quo. It is unlikely that the Argentines would swallow such a national humiliation without further action.

It would mean a prolonged state of siege for the Falklanders, and possible risks for tens of thousands of Britons still living in Argentina. Faced with continuing Argentine hostility, Britain would have to maintain a costly garrison in the South Atlantic, supplied by vulnerable convoys over 8,000 miles. She would face diplomatic isolation, not merely from South America as a whole, but possibly from some Western allies nearer home. Even if the present junta were toppled, defeat in the Falklands would merely provide a demagogue's pulp for whichever future politician preached loudest for revenge.

To lay the ghosts of the future as well as establish peace in the present, it is in Britain's own long-term interest that victory in the Falklands should leave Argentina with some political exit.

— From The Observer.

### May 24: From Our Pages of 75 and 50 Years Ago

#### 1907: Punjab's Plague Exploited

LAHORE — A wild state of excitement prevails at Hasan Abdal, a village near Rawalpindi. A statement had been circulating in the village that there is no such disease as the plague, but that the government for daft reasons had been dispatching emissaries throughout the Punjab to poison the drinking wells, killing 100,000 people weekly. (The actual mortality from plague has been about 75,000 a week lately.) This statement has been traced to a Hindu who has been sentenced to two years' rigorous imprisonment and fined \$33. An accomplice who allegedly dropped mysterious balls into the wells, claiming that he did so by order of the government, has also been sentenced.

#### 1932: Dry Congress Defeats Beer

WASHINGTON — The third attempt by wets in Congress to force through the legalization of beer with a heavy tax as a revenue-producing measure met with defeat again when the House voted 228 to 169 against. The vote came after a bitter debate in which the wets accused the prohibition forces of trying to intimidate Congress. The vote was the second test of the prohibition problem during the present session, and the wets did not muster the strength of several months ago when they recorded 187 votes on a measure to consider a nationwide referendum. Efforts to legalize beer by an amendment to the revenue act that would fix a tax of 3 cents a pint have twice been defeated in the Senate.

## For All Its Failings, the United Nations Helps

By Flora Lewis

PARIS — It has come to seem natural that the United Nations should be as busy talking as Britain and Argentina are busy fighting in the Falklands. This is a moment to consider the world organization's value.

For some, the present situation is evidence that UN glibness is a failure. Certainly, initial high hopes for a world order in which nations would settle their disputes without force have been dimly disappointed. Big-power cynicism and small-state hypocrisy and logrolling have traduced the aspirations of the drafters of the UN Charter.

Fresh from World War II, they were not innocents who relied on good will and moral argument to resolve conflict. There were long debates about how to provide military teeth, a police force to impose what were expected to be evolving international rules.

But it was never possible to establish a standing army. Attempts to send the United Nations into battle in Korea and Zaire

(Congo then) discouraged further ideas that it might force compliance to a higher rule of law. Nor have political condemnation or economic sanctions proved effective.

Still, the Falklands dispute shows how far attitudes have begun to be permeated by the ideas underlying the United Nations.

It was only in this century that the notion of war changed from a glorious, exhilarating test of man's highest capacities to an occasional tragic necessity. Britain has gone to war for no special national interest, neither conquest nor security, but in defense of a principle against military seizure of land.

Whether this particular game will be worth the candle is another matter. In the gradual way that human perceptions shift, the United Nations has helped spread recognition that violation of that principle is a danger for all, even if some countries get

away with it. No human laws are perfectly enforced, yet they remain valid.

It is even considered essential nowadays to advance some kind of historical claim, no matter how involuted, as justification for grabbing territory. Being able and eager is no longer enough.

Self-determination is another UN notion, urged on Europe a generation earlier by Woodrow Wilson and now endorsed worldwide, although with some ugly reservations. Perhaps it has been carried to excess at times. Certainly it has complicated the world system. But it has been largely accepted as a superior rule to the dominion of strength.

Soviet support for Argentina's stand on the Falklands should not be surprising, despite sharp political and ideological differences, and it probably is not only opportunistic. The Soviet Union kept lands it

conquered from most of its neighbors in World War II. There is a long list of borders revised to Soviet benefit: Finland, the Baltic states, Poland, Germany, Czechoslovakia, Romania and Japan. Moscow supports "wars of liberation" in areas beyond its control but opposes any thought of self-determination for peoples it dominates. The Kremlin continues to fight in Afghanistan.

The United Nations has never been able to prevent or reverse these challenges to principle. But it has broadened a sense of the value of asserting it in a world where so many are weak and so few are mighty.

Unfortunately, the United Nations has also enhanced the idea of national sovereignty, a contradiction of its original aim, since a world order based on law and cooperation would inevitably limit national rights. It went a step beyond the impotent League of Nations, but it also encouraged a proliferation of adamant self-righteous states.

With all its failings, its pettiness at times, the United Nations is still the place the world turns to when war comes, because it still represents peace. There is nowhere else because there is no regular concert of powers — and without one the United Nations can achieve only small successes.

If it has put no muscle on the arm of the law, it has developed the idea of peacekeeping forces to maintain fragile settlements when conflict is halted short of unachievable victory. It is hard to imagine what might have taken its place in Cyprus and the Middle East. Even the new Sinai multinational force, which could not be established under the United Nations because so many states oppose Camp David, was clearly inspired by UN experience. So are the attempts at regional peacekeeping, in Chad for example.

There are many reasons to be disillusioned with the world system, but most of the time remains a forum in which nations plead their demands, instead of a focus for the communal needs of mankind.

Still, given the long reign of warfare, it has managed in a rather short time to move public perceptions on the proper relation among societies. Now, if the United Nations can help settle the Falklands dispute under its own flag, perhaps with British and Argentine flags flying side by side, it will advance its claim to being the slow but most worthy staircase up from the prehistoric pit of war.

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## Palestinian Autonomy and the U.S.-Israeli Memorandum

By Philip Geyelin

WASHINGTON — Secretary

whipping up a big speech on U.S. policy in the Middle East. He wants to give great weight to the importance of revitalizing top-level, bilateral negotiations between the United States, Israel and Egypt on the second phase of the Camp David accord: full autonomy for the Palestinians on the West Bank and in the Gaza sector.

President Reagan is ready to make the same pitch when he meets Israeli Prime Minister Menachem Begin next month. It all has the ring of momentum.

But wait. On Tuesday Israel's rough, tough defense minister, Ariel Sharon, is due in Washington for talks with Heig and Defense Secretary Casper W. Weinberger. He wants to give great weight to revitalizing the famous "memorandum of understanding" on strategic cooperation between the United States and Israel. He will get one learns, a sympathetic hearing.

And that strikes me as an almost perfect measure of the cross-purposes inherent at work in the Reagan administration efforts to press the cause of stability and tranquility in the Middle East.

The memorandum was negotiated last year. It provided for a loose defense alliance between the United States and Israel, including modest cooperative arrangements. But it also contained specific assistance for the Israeli arms industry, including direct American purchases and credits to finance Israeli and third country purchases, all to the tune of a tidy \$500 million.

Ironically, it awaited final approval of the Israeli Cabinet when Golan abruptly all but annexed the Golan Heights. In retaliation, the Reagan administration "suspended" the arrangements, leaving the

memorandum alive but inert. When last seen, it was being shredded by a raging Menachem Begin. "No sword of Damocles is going to bang over our head," he declared. He said he would interpret "suspension" as "abrogation."

The people of Israel, Begin told American Ambassador Sam Lewis, had lived 3,700 years without a memorandum of understanding with the United States, "and they will continue to live without one for another 3,700 years."

So there. Except that he didn't mean it — and neither, really, did the Reagan administration. Encouraging signals have been exchanged. Now Sharon is heading for Washington to try to resuscitate the memorandum.

A case can be made — and administration officials are making it — that the memorandum is a thing apart from the peace process, that relations with Israel are sticky, that this sticking point is one that ought to be got out of the way.

But this is a good case only if you believe that a memorandum of understanding with Israel will actually make it easier to get on with the work of Camp David, and here the evidence runs to the contrary. For one thing, anything that snags a security pact with Israel is anathema in the Arab world. Weinberger reportedly over-looked the idea in the first place, for fear it would turn off the Saudis among others, from strategic cooperation with the United States.

The same may be said for its effects on Camp David. A United States in military alliance with Israel is a suspect intermediary in a three-cornered U.S.-Israeli-Arab peace process. And this is all the more likely to be the case when

you consider what "strategic cooperation" with the United States means to Ariel Sharon.

It means America as a partner and supporter of a grand strategic concept that would stretch the Israeli "sphere of influence" from Pakistan to Central Africa. It means the development, with U.S. help, of the Israeli defense industry and Israeli arms technology to a degree that would make Israel qualitatively superior to any conceivable collective Arab force.

But, far more important as re-

gards a solution to the Palestinian problem, "strategic cooperation" with the United States means to Sharon at least implicit acceptance of his particular sense of Israeli security requirements. On this point he has repeatedly made himself clear. Even with the West Bank territory forever under Israeli control, Israel suffers from a "lack of territorial depth."

At the very least, Sharon concludes, Israel must "establish a strong territorial defense system, based on populous and high quality

settlement of key border areas" — West Bank, Gaza, Golan. In short, what Camp David would negotiate is not negotiable.

That Sharon is the architect of current Begin government policies amounting to relentless de facto annexation of the West Bank strengthens the point. It is one thing to treat the memorandum as a separate issue. It is quite another to revive it in any form that gives even implicit American blessing to an Israeli strategic concept that slams the door on Camp David's concept of "full autonomy."

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## Against Japanese Rearmament

By Glen S. Fukushima

CAMBRIDGE, Mass. — For

the past decade the West has been preoccupied with its economic frictions with Japan, at the expense of the political dimensions of the relationship. As a result, little attention has been paid to the Reagan administration's attempts to put pressure on Japan to build up its military capability.

Defense Secretary Casper W. Weinberger recently proposed that Japan increase military spending by 8 percent a year until 1989 in order to assume responsibility by the end of the decade for defending sea lanes up to 1,000 miles from its principal cities. Japan's 1982 budget contains a 4.6-percent increase in military spending.

Many Westerners see the military issue in purely economic terms. Businessmen complain that Japan's postwar growth resulted from a "free ride" on U.S. military expenditures. U.S. congressmen denounce Japanese unwillingness

to spread more on defense and thus ease the burden on U.S. taxpayers. Even sophisticated observers argue that U.S. economic productivity will lag until Japan is forced to divert some of its technological resources to military use.

These economic arguments are not entirely groundless; Japan needs to do more to open its domestic market and to help rectify trade imbalances. Overlooked, however, are the implications of a militarily powerful Japan.

Such a development would be a profound transformation for the average Japanese citizen. It would mean nullification of Article 9 of Japan's constitution, with its renunciation of war and prohibition of armed forces — a document that has served for nearly 40 years as a reminder of the horrors of World War II and as the cornerstone of the postwar commitment to national economic welfare.

True, some Japanese have long called for repeal of article 9 and the establishment of a strong military, to replace what they perceive as U.S. unreliability in defending Japan and to counter a potential Soviet threat. Some have advocated a Gaullist stance, including nuclear weapons. But these voices are a minority. Most Japanese take pride in the non-belligerence embodied in their constitution.

A militarily powerful Japan would mean a fundamental change in the relationship with the United States. Despite the criticism heard

in Japan of America's declining economy, most Japanese remain firmly convinced that politically, economically and militarily the United States is Japan's best friend. Forcing Japan to renounce its peaceful stance would provoke anti-American resentment in some circles and bolster a "go it alone" attitude among neo-nationalists.

America, which already has trouble coordinating policies among its allies, might find a militarily self-sufficient Japan a less cooperative Japan. In addition, a significant Japanese military buildup would provoke Soviet hostility. Since the defeat of the Japanese Navy in 1904-1905, Russians have been extremely sensitive to any hint of Japanese militarism. Japanese aggression in the 1930s and 1940s, coupled with Japan's role in aiding the United States during the Korean and Indochinese conflicts, did little to allay these fears.

And rearmament would cause serious problems for Japan's relationship with its East Asian neighbors. Some anti-Soviet governments might welcome a greater Japanese military presence, but most Asian countries that suffered at the hands of Japan less than four decades ago have not forgotten. For them, economic aid and technological cooperation are what Japan can best offer.

The writer, a lawyer, is former director of the Japan Forum at Harvard University's Japan Institute.

### LETTERS

#### Title to Ulster

William Borders reports from Dublin (IHT, May 12) on "what is regarded here as Britain's illegal occupation of the northeastern corner of this island."

After a judgment of the pope 700 years ago in favor of England, the territory has been continuously under British government ever since, and in present times every election there shows that about two-thirds of the population want it to stay that way. Few governments in the entire world have as good a legal title.

The reasons why Irish republicans sympathize with Argentina

are only too obvious, but let us not at that account debate either our reason or our language.

J. WILLIAMS.

Montanare di Cortona, Italy.

#### A Sri Lankan

If the unnamed associates of Sir Fred Hoyle referred to by Philip M. Boffey in his article "The Survival of Charles Darwin" (IHT, April 22) is Chandra Wickramasinghe, co-author with Sir Fred Hoyle of "Lifecloud" and "Disasters From Space," he is not an Indian but a Sri Lankan.

RAJAH WIETUNGE

Matara, Sri Lanka.

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## Bond Dealers' Vote Is Break With Past

By Carl Gewirtz

**VENICE** — For the first time in its 14-year history, the Association of International Bond Dealers has adopted a rule affecting how Eurobonds are issued.

Rules of the AIBD, which was founded in 1969, had been concerned first with bringing order to the secondary market. It had no rules on the primary market.

### EUROBONDS

The change came on the approval of a rule affecting convertible securities. The regulation is designed to eliminate the sometimes months-long limbo when an investor has neither the convertible bonds nor the underlying stock to trade due to delay in getting the bond to the agent and getting the shares from the agent to the investor.

The members voted to upgrade from a recommendation to a rule that "issuers of convertible bonds shall have agents in Europe, New York and Asia with the authority to cancel bonds presented to them for conversion and to instruct by cable or telex release of the shares to the order of the party presenting the bonds."

No one was willing to forecast that the AIBD would charge on from here to regulate the primary market, but the first rule in that direction was taken by many delegates as a milestone for the association.

The AIBD also voted to increase minimum round lot trade to the \$25,000 level, up from \$10,000. Proponents argue that the increase recognizes the shift that has taken place away from a market dominated by individual investors to one dominated by institutional investors. As a result, prices for transactions involving smaller amounts will be discretionary.

In another vote, the AIBD agreed to enlarge its membership by creating a new status of associate member for institutions such as central banks or international clearing systems that could not become full members. The associate members cannot vote, take part in elections or put forward candidates for the board.

### FEW NEW ISSUES

Because of the AIBD meeting and a midweek holiday, new issues activity was light. Philip Morris launched a \$200-million, 12-year zero-coupon issue through its Philip Morris Credit NV unit. The issue was priced at 22.25 to yield 13.34 percent.

Ottawa, Ontario, issued a 40-million bond, due 1997, with a coupon of 14.75 percent. It was priced at 99 to yield 14.92 percent.

A \$30-million, 14 1/2 percent issue for Illinois Power Co. was priced at 99 1/4. Lead managers for the issue, which matures in 1989, is Credit Suisse First Boston.

In the convertible sector, Orient Leasing Co. said from Tokyo it will issue a \$20 million, 15-year convertible bond in Europe with payment due on June 15 through underwriters led by Daiwa Europe and Morgan Guaranty.

Other terms of the bond, matur-

ity and interest rates, should decline modestly over the next four to six weeks.

M-1 is the measure of money supply composed of currency in circulation and all checking account-like deposits in banks and savings institutions. When it advances above the Fed's goals, economists and traders generally expect the central bank to restrict credit, causing interest rates to rise. When the money supply is below target, analysts anticipate that the Fed will make credit more available to the banking system, thereby sending interest rates lower.

Indicating the mildly negative response by the market Friday to the money supply figures, the actively traded 14 percent Treasury bonds due in 2011 fell 1/4 point to 105 29/32 and ended the session down 1/4 point. Yields were slightly lower before the report came out.

The rate on six-month Treasury bills increased after the money supply figures were released to 11 1/2 percent from 11.58 percent earlier in the day.

However, the credit markets received some encouraging news Friday when the Fed announced that commercial and industrial loans dropped \$397 million in the week ended May 12, in contrast to a gain of \$3.08 billion the previous week. Analysts said that the sharp drop in loan demand, if it continued, could help push interest rates lower.

Modest Decline?

Leonard Siegel, a vice president of Josephthal & Co., said that the increase in the money supply figure "will delay the Fed from easing its credit reins over the near term."

However, J. Terrence Murray, chairman and chief executive officer of Fleet Financial Group, a major New England bank holding company, was more optimistic. He said that, while the latest money supply totals exceeded the rise of \$1 billion to \$2 billion predicted by most analysts, "short-term rates

## U.S. Service Sector Cushions Recession

By Karen W. Arenson

**NEW YORK** — It is easy to count cars and trucks rolling off assembly lines and ingots of steel being poured. So as production of manufactured goods has slumped, the depth of the U.S. recession has seemed alarmingly clear.

But the very visible plunge in manufacturing somewhat overstates the distress of the economy, for most of the widely followed economic indicators ignore the myriad of services — from medical care to banking to advertising — that account for about two-thirds of the United States' economic activity.

Although these less visible products of labor are more difficult to measure than manufactured goods, they have played a major role in cushioning the recession's impact, as they have in so many other business cycles.

"The service sector is very much a stabilizing factor for the economy," said Irving F. Levenson, director of economic studies at the Hudson Institute. "Service industries tend to have much less fluctuation in employment than goods-producing industries. And to a lesser extent, they also have less fluctuation in wages and production."

### Airlines Hit Hard

Of course, not all service businesses are recession-resistant. Some, such as the airlines, have clearly been hit hard in recent months. But while employment in the manufacturing sector tumbled by 1.3 million jobs between July, 1981, and April, 1982, employment in the service-producing sector rose by 217,000 jobs.

"Not every service industry is going up, and not every manufacturing industry is going down," said Samuel M. Ehrenhalt, the regional commissioner of labor statistics in New York for the U.S. Department of Labor. "But even though this is one of the more severe recessions in the postwar period, and even though this recession is well past middle age, we still are having job gains in white-collar jobs, and in services in general."

Service-producing companies have also been important in foreign trade, bolstering the U.S. current account.

Banking and other service sector contributors enabled the United States to turn last year's \$28-billion merchandise trade deficit into a \$7-billion current account surplus," said Walter B. Wriston, chairman of Citicorp.

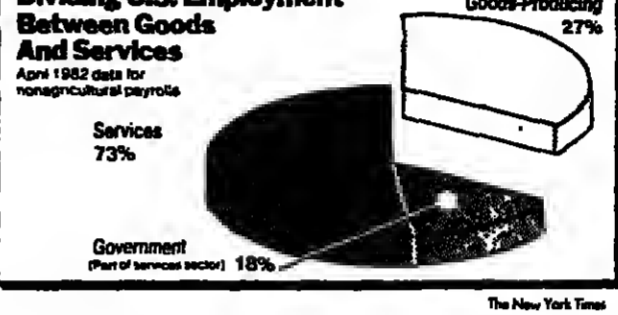
There is no simple way to define services. The wide range of activities they encompass includes transportation, public utilities,

### The Recession-Resistant Services Sector

	Post Recession Employment (July '81 to 200's)	Current Employment (April '82 to 200's)	Change (in 200's)	Percent Change
Transportation and Utilities	5,157	5,100	- 57	-1.3%
Wholesale Trade	5,380	5,301	- 79	-1.1%
Retail Trade	15,436	15,552	+ 116	+0.8%
Financial, Insur., Real Estate	5,344	5,371	+ 27	+0.5%
Other Services*	18,642	18,952	+ 310	+1.7%
Private Sector Services	49,949	50,276	+ 327	+0.7%
Government	15,992	15,882	- 110	-0.7%
Services Total	65,941	66,158	+ 217	+0.3%
Mining	1,132	1,151	+ 19	+1.7%
Construction	4,272	4,026	- 246	-5.7%
Manufacturing	20,535	19,258	- 1,277	-6.2%
Goods-Producing Total	25,939	24,435	- 1,504	-5.8%

\* Includes employment in the following industries: health, education, legal, data processing, advertising, credit and collections, lodging and hotels, personal placement, and amusement.

### Dividing U.S. Employment Between Goods And Services



wholesale and retail trade, finance, health, education, business services and entertainment. Even government comes under the service heading.

Despite the many differences among these activities, economists find it useful to look at them as a group, as distinct from the four

(Continued on Page 9, Col. 2)

## Oil Glut's Legacy: A Weaker OPEC

### Rising Demand Is Expected to Bring Higher Output, Not Increased Prices

By Robert J. McCartney

**QUITO, Ecuador** — The worst crisis in OPEC's 21-year history apparently is over, but it appears to have seriously weakened the cartel.

OPEC's production ceilings are helping to bring under control a major oil glut that was depressing prices, but the cartel has been

forced to cut its total production by about one-third since 1979 to prevent a price collapse. Production by OPEC's 13 members earlier this year fell below production by other non-Communist countries for the first time, signaling a major decline in OPEC's power in the oil market.

OPEC's prices are likely to remain frozen until the end of this year and possibly beyond, despite forecasts of rising oil demand in coming months, OPEC ministers and U.S. industry and government oil specialists say.

The glut, which took hold firmly at the start of last year, resulted from a combination of slack demand caused by slow economic growth, conservation measures and increased supplies from oil producers that do not belong to OPEC, such as Mexico and Britain.

As spot prices fell, oil companies added to the supply by draining inventories to avoid being stuck with high-priced crude and to trim financing charges.

Demand for OPEC oil is expected to start rising again in this year's second half as companies replenish inventories and the U.S. economy revives. New demand is not expected to push up prices right away, however, but cause OPEC to start raising its production again. With unused production capacity of as much as 10 million barrels a day, demand would have to recover considerably before prices could start spiraling, U.S. oil executives say.

Saudi Arabia, OPEC's largest producer and traditionally its leading moderate, has 3.5 million barrels a day of spare capacity and says it will use it if necessary to prevent a sudden price rise.

Although the victory is in sight,

## Reactor Firms Compete Fiercely to Win Mexico's Business

By Douglas Martin

**MEXICO CITY** — The polished pitchmen from Canada, France, West Germany, the United States and Sweden have become familiar figures along the tree-lined streets and elegant corridors here. They have been engaged in an increasingly determined effort to sell Mexico a nuclear power plant that they hope will open the door to many others.

Their job isn't getting any easier. Last Tuesday the Mexican government announced that any decision on Mexico's nuclear energy program would be shelved until at least December, when the next administration takes over. And with Mexico now pinched by declining oil revenues and a huge foreign debt, there are doubts that a decision on the program will be made much before 1984.

For the world's nuclear power industry, which has pinned its hopes on Mexico's plans to buy as many as 20 nuclear reactors, the announcement could set back efforts to overcome a severe sales slump.

The industry sold just 10 reactors last year, mainly in countries that are big oil importers, and the industry has been viewing Mexico's proclaimed eagerness to become a major generator of nuclear power as perhaps the best opportunity to sell reactors for the next decade. Orders are drying up in advanced industrial nations, and even such eager customers as South Korea are slowing their atomic programs, largely because of slower growth in electricity demand.

"This is the name of the game in keeping the U.S. vending industry alive," Dickson Hoyle, Westinghouse's director of international nuclear affairs, said before last week's announcement. Westinghouse, General Electric and Combustion Engineering have bid separately for the Mexican job.

"We're all in the same boat," a Canadian diplomat said. "This is the only game in town."

At Westinghouse, a spokesman said the company had received no formal notice from the Mexican government that the nuclear project was being deferred or canceled. In fact, according to John Burk, a spokesman for the nuclear energy systems group, Westinghouse received requests for further information on its proposal from Mexican utility officials as late as Thursday. "Until we receive formal word, we're going ahead as before," he said.

At General Electric's nuclear energy division a spokesman said the company did not consider the Mexican government's decision a setback. "It's a waiting process,"

said Hugh D. Hexamer, director of communications. "These evaluations always go down a long road. Right now, we're taking the Mexican government at its word, that the project will be continued at some point in the future."

Tenders for the plant were presented in February, with the expectation that a decision would be announced in August. The ruling party's candidate in the July 4 elections, Miguel de la Madrid Hurtado, has not addressed the nuclear question so far, but his aides say that restrictions on major new infrastructural investments will continue into the next administration.

With the weaker-than-expected world oil market and the Mexican government's resulting stiff austerity program, Mexico may decide it cannot afford another nuclear power plant, much less the 20 or more it has planned to build by the end of the century. Mexico's balance of payments deficit rose 73 percent last year, the peso was devalued in February and oil revenue may fall this year to half the level projected two years ago.

The final price tag for the next plant is expected to be nearly \$3 billion, and the victor would appear to have the inside track on the balance of Mexico's planned nuclear effort, estimated to cost around \$50 billion by the end of the century. More important, perhaps, is the chance for the winner to continue churning out reactors, and thus keep pace with scientific and technological improvements, until reactor orders pick up in other countries, probably in the 1990s, nuclear analysts say.

In the extremely competitive market, officials of the various countries involved and independent analysts are unable to precisely handicap the race. They seem to agree that the United States' principal advantage is its long nuclear experience and extensive trade with Mexico, while its possible disadvantage is its occasionally prickly political dealings with its southern neighbor.

Canada's strong point is the acknowledged efficiency of a reactor it has developed. Its weakness is its relative inexperience in international nuclear sales and what one rival termed "the disaster" of its much-delayed reactor in Argentina. West Germany and Sweden are also said to suffer from inexperience abroad, while benefiting from cordial relations with the Mexicans.

France, which last year had acrimonious words with Mexico over the terms of oil contracts, gained experience from its huge nuclear program of recent years, as well as its perceived ability to undercut others' prices if it chooses because

(Continued on Page 9, Col. 1)

## Short-Term U.S. Rates Expected to Stay Firm

By Alexander R. Hammer

**NEW YORK** — The latest money supply report indicates that the U.S. economy will have to wait a little longer for a decline in short-term interest rates, some analysts say.

On Friday, the Federal Reserve

reported that the nation's basic money supply rose \$2.3 billion in the week ended May 12. The rise was slightly above market expectations, pushing up interest rates a bit in late-afternoon trading. The new level of M-1, \$452.5 billion, is higher than would be consistent with the Fed's 1982 growth target of 2 1/2 percent to 3 1/2 percent.

"The latest rise in the monetary aggregates is likely to keep short-term interest rates at current levels for a while longer," said Fred J. Howard, a senior vice president at Sterling National Bank & Trust.

Leonard Siegel, a vice president of Josephthal & Co., said that the increase in the money supply figure "will delay the Fed from easing its credit reins over the near term."

However, J. Terrence Murray, chairman and chief executive officer of Fleet Financial Group, a major New England bank holding company, was more optimistic. He said that, while the latest money supply totals exceeded the rise of \$1 billion to \$2 billion predicted by most analysts, "short-term rates

### Mildly Negative

Indicating the mildly negative response by the market Friday to the money supply figures, the actively traded 14 percent Treasury bonds due in 2011 fell 1/4 point to 105 29/32 and ended the session down 1/4 point. Yields were slightly lower before the report came out.

The rate on six-month Treasury bills increased after the money supply figures were released to 11 1/2 percent from 11.58 percent earlier in the day.

However, the credit markets received some encouraging news Friday when the Fed announced that commercial and industrial loans dropped \$397 million in the week ended May 12, in contrast to a gain of \$3.08 billion the previous week. Analysts said that the sharp drop in loan demand, if it continued, could help push interest rates lower.

Modest Decline?

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### CURRENCY RATES

Interbank exchange rates for May 21, 1982, excluding bank service charges.

	\$	£	DM	FF	Y	S	Sc	DK
American Express	1.5385	4.51	111.175	1.1175	1.1175	1.1175	1.1175	1.1175
Banque Paribas	1.5385	4.51	111.175	1.1175	1.1175	1.1175	1.1175	1.1175
Commerzbank	1.5385	4.51	111.175	1.1175	1.1175	1.1175	1.1175	1.1175
Deutsche Bank	1.5385	4.51	111.175	1.1175	1.1175	1.1175	1.1175	1.1175
Ind. Comp. Bank	1.5385	4.51	111.175	1.1175	1.1175	1.1175	1.1175	1.1175
London	1.5385	4.51	111.175	1.1175	1.1175	1.1175	1.1175	1.1175
Midland	1.5385	4.51	111.175	1.1175	1.1175	1.1175	1.1175	1.1175
New York	1.5385	4.51	111.175	1.1175	1.1175	1.1175	1.1175	1.1175
Paribas	1.5385	4.51	111.175	1.1175	1.1175	1.1175	1.1175	1.1175
Swiss Bank	1.5385	4.51	111.175	1.1175	1.1175	1.1175	1.1175	1.1175
Union Bank	1.5385	4.51	111.175	1.1175	1.1175	1.1175	1.1175	1.1175
West. Union	1.5385	4.51	111.175	1.1175	1.1175	1.1175	1.1175	1.1175

Source: Reuters. (a) Commercial bank. (b) Amounts needed to buy one pound. (c) Units of 100. (d) Units of 1,000.

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1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

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## Reactor Firms Vie Fiercely To Win Mexico's Business

(Continued from Page 7)

as a country, it does not have to think like a commercial entity.

"This is the biggest stakes of any contract ever let in a developing country," a U.S. government official said. "Everybody's working bloody hard."

The weak market has made competition so keen that high government officials of rivaling nations have been parading in and out of Mexico City like so many traveling salesmen. For the United States, Vice President Bush put in a personal word to President José López Portillo, and three cabinet officials — Secretary of State Alexander M. Haig, Secretary of Commerce Malcolm Baldrige and Secretary of Energy James B. Edwards — sent a joint letter in March to the foreign minister to encourage a purchase.

### Slinging Axes

The president of France, the prime minister of Canada and the king of Sweden have all brought large nuclear entourage on recent visits. The Canadians have even opened a nuclear exhibit and decorated their embassy with nuclear paraphernalia.

"Everybody's slingin' an ax at everybody else," a U.S. diplomat said.

The battle began last year when Mexico requested bids from companies or countries that wanted to build a 1,800- to 2,200-megawatt nuclear plant — the equivalent of

## Cadbury May Purchase National Distillers Unit

NEW YORK — National Distillers & Chemical said Friday that it is discussing the possible sale of its Holland House brands division to Cadbury Schweppes, U.S.A. Holland House produces and distributes cocktail mixes and specialty products.

The move is part of National Distillers' plan to concentrate on its strengths — chemicals, wine and liquors — said Richard Tilghman, a vice president.

two to four reactor units, depending on size — some 65 miles (104 kilometers) north of Vera Cruz, about 35 miles from the country's first commercial nuclear plant, Laguna Verde 1, which is under construction by General Electric. The new plant would be called Laguna Verde 2.

The difficulty of Mexico's position, analysts suggest, will be complicated not only by the country's present financial stresses, but also by the need to try to foresee decades into the future — such factors as the value of the peso, energy demand and oil revenue. Mexico also must weigh the advantages of buying nuclear gear now, when the industry is desperate to sell it, or later, when that situation might have changed.

"The Mexicans feel this is a good time to buy because the price is right," a U.S. official said. "Maybe in 20 years it won't be such a good time to buy."

## U.S. Service Sector Is Cushioning Recession

(Continued from Page 7)

goods-producing sectors of the economy: manufacturing, mining, construction and agriculture.

The service sector has accounted for more than half of all jobs in the United States since at least the 1920s. While the percentage of manufacturing employment, composed heavily of blue-collar jobs, has shrunk steadily during this century, the percentage of employment in the services, made up largely of white-collar jobs, has grown steadily. The service sector accounts for about 72 percent of total U.S. employment and 67 percent of the nation's economic output.

Perhaps the most important reason for the growth in services is that productivity gains in manufacturing and agriculture have enabled fewer people to produce more goods, thus freeing many to move into service jobs. And the United States' growing affluence has allowed consumers an increas-

ing amount of money left for services.

A similar appetite for services has developed in the business sector. Many companies, for example, are shifting to outside concerns for automobile fleets, legal work or payroll computation. (Under a statistical quirk, a lawyer — or any other employee — working for a manufacturer is counted as being in a manufacturing job, while the same person working in the same job for a law firm or another service concern is considered a service sector worker.)

While some of the recessionary strength in services undoubtedly comes from its long-term growth, there are services that appear to fare well during downturns. When people postpone purchases of automobiles, appliances and other goods, they do not necessarily cut back equally on purchases of services.

This difference in consumer purchasing patterns has been reflected in spending over the past year. Purchases of services rose by 12 percent between the first quarter of 1981 and the first quarter of 1982, while purchases of consumer durables fell slightly and purchases of nondurables were up by only 6 percent.

"Goods are storable, so during a recession, people keep using the ones they have," noted Victor R. Fuchs, a professor of economics at Stanford University who is widely known for his research on the service economy. "People don't stop using refrigerators, they just don't go out and buy new ones." Services cannot be stored; if they are needed, people must continue to purchase them in a downturn.

There are, of course, services that are more luxuries than necessities, such as restaurant meals and travel, and these may be reduced in periods of financial strain. But, unlike manufacturing companies, which accumulate inventories and then lay off workers until stocks

are reduced, the service sector cannot do business if it lays off many workers.

So while employment in some services may edge down a bit, there generally are not the mass layoffs found in manufacturing. If a hotel or a restaurant wants to stay in business, its staff must be there every day.

Mr. Leveson of the Hudson Institute added that many service employers feel less pressure to dismiss people since their salaries often do not represent fixed costs but are paid in tips or commissions.

That is not to say that service businesses are entirely protected from downturns. As Edward Guay, chief economist at the Cigna Corp., put it, "A service business can overexpand and misallocate capital, just as in manufacturing."

One service sector that has not held up well during this recession is government. Between July and April, federal employment fell by 60,000 jobs, to 2.7 million; state and local government employment declined by 50,000 jobs, to 13.2 million.

"Until the present downturn, government had always grown during recessions; it was a continuous growth industry," said Jack Breger, chief of the division of employment and unemployment analysis at the Bureau of Labor Statistics. He attributed the current declines to the Reagan administration's efforts to shrink government and to reductions in public school staff because of the passing of the baby boom.

Despite the seeming vitality in the overall service sector, industry executives caution that its growth could be hampered by trade barriers imposed by other countries.

U.S. companies in the service sector earned about \$60 billion in foreign revenues in 1980, according to an estimate by Economic Consulting Services.

"The foreign markets have be-

## Bets Being Placed on Caesars

By Robert J. Cole

New York Times Service

NEW YORK — A secret accumulation of stock is under way in Caesars World, the big hotel casino company, Wall Street sources say. The most likely buyer is thought to be Resorts International, another leading hotel casino company.

Analysts said that Resorts has an estimated \$165 million in cash for investment purposes but that it would have a difficult time taking over Caesars World — even if it wanted to — because of potential antitrust problems. Both have major gambling operations in Atlantic City, N.J., and Resorts is reported to be interested in opening a casino in Las Vegas, Nev., where Caesars World already has a strong position.

Joseph W. Bars, gambling industry analyst for Value Line Investment Survey, said that if Resorts is buying the stock, it probably is a short-term investment. Several companies with gambling operations are in favor in the stock market at present, including Holiday Inns and Golden Nugget as well as Resorts and, to a lesser extent, Caesars World.

Mr. Bars said that he believed Resorts might be "holding off" until it sees whether gambling is legalized in Miami Beach or New Orleans. Both of these cities are considering the issue, along with

the states of Pennsylvania, Massachusetts and New York. At present, gambling in the United States is legal only in Nevada and Atlantic City.

Caesars World is understood to be aware of the unusual trading. Last Monday, volume soared to 457,000 shares, three times the normal level. Bear, Stearns & Co. and Pershing & Co. were said to have handled some of the trades.

Even if most of these shares were purchased by Resorts, the amount would still be far less than 5 percent of Caesars' 26.6 million shares outstanding, in which point Securities and Exchange Commission rules require the buyer to disclose the purchase along with the reasons for buying.

Resorts has casinos in Freeport, Grand Bahamas, and Atlantic City, where it was the first to open after gambling was approved for the city four years ago. Caesars World was the second to open, three years ago.

Resorts has 60,000 square feet of gambling space, the largest of the nine gambling houses operating in Atlantic City, compared with Caesars' nearly 49,000 square feet.

Caesars stock closed Friday at \$9.25 on the New York Stock Exchange, ahead 12½ cents, on volume of 113,600 shares. Resorts closed at \$19.25 on the American Stock Exchange, up 50 cents.

## Fed's Rigid Targets Cause Swings In Interest Rates, Pöhl Contends

From Agency Dispatches

LONDON — Karl Otto Pöhl, president of the Bundesbank, has suggested that his counterpart at the U.S. Federal Reserve be a little more flexible in pursuing monetary policy.

By rigidly adhering to targets for money supply growth, the West German central banker said in a speech to the International Forum Conference here Saturday, the Fed has caused erratic swings in interest rates. Those swings, he said, shake the foreign exchange market.

But Mr. Pöhl — who said in an interview in March that he was "in full agreement" with Paul A. Volcker, chairman of the Fed — noted that the U.S. central bank is under pressure from some quarters to seek to control the money supply even more strictly. On Friday, for example, a top U.S. Treasury official said that recent spurts in the money supply threatened to bring a resurgence of inflation.

Mr. Pöhl said: "Certainly the monetarist critics or watchdogs of the policy of the Federal Reserve System do not make it easy for the

U.S. central bank to employ at least sometimes that degree of discretionary policy that might lead to a steadier or smoother movement in interest rates in the United States. The fact that the Federal Reserve System seems to be tied to rules is in my view quite often the reason for the fluctuations."

The West German official rejected the view of some economists in the Reagan administration that the Fed could bring stability to the financial markets by holding money supply growth to a fixed rate. Mr. Pöhl said that he did not believe a monetary target can serve as "an archimedean point from which all difficulties can be remedied."

### "Exotic" Interest Rate Levels

The bouncing up and down of U.S. rates makes it harder for central banks elsewhere to keep the foreign exchange market steady, Mr. Pöhl contended. "It is less the high level of interest rates for dollar assets than the sharp fluctuations in them that have made it considerably more difficult for the European countries and Japan to closely coordinate their intervention policies," he said.

Mr. Pöhl also criticized the level of deficit spending in the Western industrial economies. "Budget deficits in most countries are much too high and therefore make it impossible for fiscal policy to be used as an instrument to stimulate the economy," he told the foreign exchange bankers. "For the same reason interest rates are staying at rather exotic levels, particularly in the United States."

Surveying the world economic scene, Mr. Pöhl could offer little cheer: "If I were to try to draw a conclusion from hours and hours of intensive discussions with finance ministers, central bank governors and other people bearing high responsibility, the outlook for the world economy would be rather gloomy."

He added: "Unemployment is increasing in all industrial countries and there is no sign that this will change very soon. On the contrary, even if economic activity picks up in the course of this year or at least next year, unemployment will stay at levels which can only be compared with those the Western world saw during the 1930s."

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Nederlandse Credietbank N.V. Nippon Credit International (Hong Kong) Nippon European Bank S.A.  
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Orion Royal Bank Limited Pierson, Helderling & Pierson N.V. Privatbanken A/S Rabobank Nederland  
Salomon Brothers International Scandinavian Bank J. Henry Schroder Wagg & Co. Singer & Friedlander  
Smith Barney, Harris Upham & Co. Société Générale Société Générale de Banque S.A.  
Strauss, Turnbull & Co. Swiss Bank Corporation International Limited Union Bank of Finland Ltd.  
Verens- und Westbank Wood Gundy Yamaichi International (Europe)

May 24, 1982

All of these securities have been sold. This announcement appears as a matter of record only.

New Issue in Canada

Can. \$30,841,000

The Municipality of

## Metropolitan Toronto

(Province of Ontario, Canada)

\$1,016,000 Instalment Debentures and \$29,825,000 Sinking Fund Debentures

To be dated June 1, 1982

To mature June 1, as indicated below

These Debentures are direct, joint and several obligations of The Municipality of Metropolitan Toronto (the "Metropolitan Corporation") and of the six Area Municipalities comprising the Metropolitan Corporation.

### Instalment Debenture

Principal Amount	Interest Rate	To Mature June 1
\$ 1,016,000	15 1/4%	1983-1997

### Sinking Fund Debentures

Principal Amount	Interest Rate	To Mature June 1
\$29,825,000	15 1/4%	1987

Dominion Securities Ames Limited

Wood Gundy Limited

McLeod Young Weir Limited

Bell Gouinlock Limited

Burns Fry Limited

Merrill Lynch, Royal Securities Limited

Nesbitt Thomson Bongard Inc.

Greenshields Incorporated

Midland Doherty Limited

Richardson Securities of Canada

Burgess Graham Securities Limited

Pitfield Mackay Ross Limited

Lévesque, Beaubien Inc.

Walwyn Stodgell Cochran Murray Limited

R. A. Daly & Company Limited

Andras, Hatch & Hetherington Ltd.

F. H. Deacon, Hodgson Inc.

Canadian Imperial Bank of Commerce  
Toronto Dominion Bank

Bank of Montreal  
Royal Bank of Canada

May, 1982

Yield	Middle Price	Avg Life Curr	Am't	Security	%	Mat	Price	Mat	Life	Co
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dm 100	Colase	Nat. Telecom	4 1/2	54	Mar	98	5/4	8.12	7.30	dm 200	Brazzil	8 3/4	56	Oct	97	1/2	7.85
dm 100	Colase	Nat. Telecom	7 1/4	57	Apr	99	1/4	8.12	7.30	dm 200	Brazzil	7 1/4	57	Jan	98	1/2	7.85
dm 100	Colase	Nat. Telecom	6 1/2	57	Nov	97	1/4	8.50	8.50	dm 100	Brazzil	8	57	Aug	96		11.64
dm 200	Colase	Nat. Telecom	8 1/2	55	Oct	98		8.49	8.49	dm 100	Brazzil	8 3/4	57	Oct	96		8.14

## STAFF POSITIONS

Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and other related publications. Comments concerning this feature can be addressed to Juanita Caspari in Paris.

[illegible]

Middle	Conv.	Conv.Pr	Curr. Yields Stk%	\$28	Sumitomo Metal Ind 6 % 1992 Mar Sumitomo Metal Ind	144	1 Nov 79 20 Mar 92 2 Feb 81	115 7/2 van 175 3/4-- -	2.80- 2.91 2.80- 2.91	\$28	Owens Illinois Glass 4 1/2 % 1987 Jul	78 1/2	1 Feb 73 maturity \$27 1/4 3 years AB	71.24 A27
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20	9 7/8 % 1990 Taylor Woodrow	80	15 Jan 01 1 Nov 95	2.44 % 2.44 %	8.50	Chrysler Overs 12.13 8 % 1998 Feb	50	16 Aug 98 maturity	\$ 62	374.92
25	8 3/4 % 1990 Dec Thorn Intern	114	1 Nov 78 30 Jul 20	2.67 % 2.60 %	9.50	Chrysler Overs 15.68 1 1/4 % 1998 May	50	15 Dec 20 maturity	\$ 77 1/2	465.38

## HIGHEST CURRENT YIELDS

73	Metresolton Estate	30	1 Feb 81	5.239 =	
	8 1/4% 1996 Jan		15 Dec 95	5.271 3/8	8.53
74	Metresolton Estate	30.00	50 Sep 87	5.26	5.23

### Meaning of Symbol

CDS	Canadian Dollar	SDR	Special Drawing Right
ECU	European Currency Unit	Y	Yen
	European Unit of Account	LFR	Luxembourg Franc

COMING IN JUNE

## FOCUS ON

## BERLIN

\_\_\_\_\_

International Herald Tribune

West Germany  
Tel.: 72 67 55 Telex: 416721.

Location & price	Colts
------------------	-------

20	20	3-14	27	515-1
21	25	1-16	70	

1-16	8	14 1/2	3	18 1/4	40	10 1/2	3	1-16
4 1/2	5 1/2	16	9-16	62 1/2	50	13 1/4	10 1/4	1-16
	5 1/2	14		62 1/2	55	8 1/2	6	1-16
				62 1/2	48	4 1/4		

7 1/2	9 1/4	5-18	1 1/2	100%	28	9-16	r	
3%	4 1/4	1 1/2	3 1/4	31%	30	13-16	3	1
13-16	3 1/2	3%	5	InPop	30	13-16	1	5
r	1 1/4	r	r	34%	40	16	r	1

318	178	32	1	11	28	4	528
1	1	1/2	1	KATTM	30	1 1/2	246
26	146	1	1	29	30	4	6
				29	32 1/2	136	

74	80	18	25-18
74	90	1-16	7
MM	40	r	5%

13-16	174	3%	4	66%	80	3%	2%
19	S	r	S	64%	70	1%	
5%	r	r	3-16	66%	80	2%	

37%	r	2%	21%	2%	30%	8%	10%
1%	3%	2%	r	Penz	30	4%	6%
r	3-16	r	r	35%	35	2%	4%
1%	5	1		38%	40		

5	34	298	1	34	60	1	1
25	196	478	7 1/2	Pepsi	28	14	1 1/2
30	r	1 1/4	r	38			
34	r	4 1/4	5 1/2	Order	15	4 1/4	r

20	r	r	1-16	r	25 1/2	28	m	7 1/2
1/2	r	3	1/2	3	28 1/2	35	1-16	7
25	7 1/2	r	3-16	r	Scrub	30	r	5
			1 1/2			35		3

00	r	r	22%	r	24%	30	46	1-18
40	13%	s	1-16	s	24%	35	2-16	46
65	8%	r	5-16	11-16	24%	40	1-16	3

30	7-16	13-16	11-16	21-16	11-16	150	46	11
35	7-16	14	11	11	Taxin	70	16%	11
40	14	13-16	11	11	11	75	12%	11

55	1-16	7-16	2074	r	s	45%	40	6%	r
70	1-16	s	r	s	43%	45	1%	r	
18	3%	3%	16	16	42%	50	1%	r	

10	5-16	13-16	r	r	305	13-16	394
19	5-16	13-16	r	r	305	13-16	394
30	5-16	13-16	r	r	305	13-16	394
35	13-16	27-16	5	5	40	16	41

30 110 F 240 11

For the Week Ending May 21, 1982

Ice	Calls	Puts	Option & price	Calls	Puts	Option & price	Calls

\_\_\_\_\_

\_\_\_\_\_

[illegible][illegible]

[illegible]

 **Bayerische Landesbank**  
Girozentrale

International Banking with Bavarian Drive and Friendliness

Central Office: Brenner Strasse 20, 8000 München 2, Tel.: (89) 21 71-01, Telex: 5 286 270. Cables: Bayembank Munich. Branches: London, Tel.: 726-8022; New York, Tel.: 310-8800; Singapore, Tel.: 2 22 69 25. Subsidiary: Bayerische Landesbank International S.A., Luxembourg, Tel.: 47 59 11-1. Representative Offices: Toronto, Tel.: 862-8540; Vienna, Tel.: 66 31 41; Johannesburg, Tel.: 8 38 16 13.

***A summary of the Statement by Mr. Robert Henderson  
Chairman of the parent company,  
KLEINWORT, BENSON, LONSDALE plc,  
in the Report and Accounts for 1981***

demand for credit was surprisingly high, competition remained fierce and discounts from acceptances were reduced. However, our ability to offer sterling facilities to international customers has led to a welcome inflow of business, and our sterling exchange operations have increased both in scope and profitability.

benefit of being a bank of our size is the ability to underwrite and syndicate foreign contracts, both in sterling and dollars, and our Export Credit finance section has been widely marketed.

an outstanding year. The issues for British Aerospace and Cable and Wireless were successively the largest company flotations ever made in the U.K. On the international side, we had by far our most active year.

International investment management business has continued to prosper, and competition both by good performance and by keeping the increase in net income above the increase in income derived from greater volume, with the world-wide presence of investment teams in our overseas offices. Trustee and financial planning services also have been important to our growth.

**SEAS**

European subsidiaries in Bremen, Brussels and Geneva achieved satisfactory performance. In Australia - jointly owned with The Colonial Mutual Life Assurance Society - made an encouraging start with a profit for the initial eight months. In Hong Kong branch and its satellite finance company more than doubled their assets while offering a full range of international merchant banking services. Our bank's finance business in North America, through offices in New York and Chicago, Los Angeles - has expanded.

20 Fenchurch Street, London EC3P 3DB

## Rice Gets 4 Hits as Red Sox Defeat A's

[illegible]

**BOSTON** — Jim Rice collected four hits, including a home run, as the Boston Red Sox won their first game since 1918, 5-1, over the New York Yankees on Monday night.

Rice tied the game, 1-1, with a homer in the first. He also singled in the third and came home on a two-run blast by Yastrzemski.

Rice tied the game, 1-1, with a homer in the first. He also singled in the third and came home on a two-run blast by Yastrzemski.

was right on top of the play, closer than anyone else, especially in the dugout.

The Oakland starter, Rick Langford [3-6], gave up all three Boston homers. Tom Burgmeier (2-0) relieved Mike Torrez in the fourth to win the game.

The Red Sox pounded Langford and reliever Dave Beard for 18 hits, with Rich Gedman collecting	Orioles 3, Blue Jays 0 At Toronto, John Lowenstein	SATURDAYS GAMES		Falcione, Swan (7), Allen (7) and Storaasli	
		Baltimore Toronto	301 110 0-4 11 0 000 000 0-0 4 0	Ryan, D. Smith (7), LaCorte (12), Moffitt (12) and Ashby, W. Allen	1-2, L-Moffitt, G-2, HR-
		America League		Houston, Phil M.	

The A's had 12 hits, including a home run by Cliff Johnson and two doubles apiece by Mike Heath and Davey Lopes. Tony Phillips knocked in three runs with a pair of singles, the second of which came in the fourth inning to give Oakland a 5-4 lead and chase Torrez.

Billy Martin, the A's manager, was infuriated by an obstruction call by third base umpire Rich Garcia and a ruling by second base umpire Dale Ford in the seventh inning that credited Rice with a punt even though the left-fielder dropped the fly ball.

"We're not going to score a lot

drove in two runs with a home run and a single to lead Baltimore past Toronto, 3-0. Mike Flanagan (2-4) allowed five hits, struck out one and walked none through seven innings.

**Angels 9, Tigers 7**

At Detroit, Bobby Grich and Bob Boone hit two-run homers to enable California to snap the Tigers' eight-game winning streak, 9-7. Detroit's Larry Herndon, who went 5-for-5 Thursday night, continued his torrid hitting, collecting three singles in four at-bats and scoring three runs. Herndon is 11 for his last 17 at-bats, a .647 percentage over that span.

D.J. Martinez and Dempsey; Steve Bomboka 16, D.J. Martinez 18, Gervin 16 and Whitly 16. Martinez, Littell 15, Kaut 14, Soto 13. HRs—Martinez, Lowenstein 17, Dempsey 12.

Colts 000 001—1 2 2  
D.J. Martinez 1 1 0  
A. Martinez, Sanchez 4 4 0  
Fernando; Marty's Tobit 51 and L.N. Parillo 5  
W-Martins 4-4, L. A. Martinez 2-4, H.R. C. Martinez, Fall 77.

Oakland 301 000—4 6 3  
Boston 000 004—7 8 2  
D.J. Martinez 10 0 0  
(1) and Gerdman 7-8, B-Stanley 4-4, L. Seale 10 0 0  
007 000—6 7 7 0  
Milwaukee 0  
Nelson and Bulling; Larch 30, St. Augustine 17, Esterly 9 and C. Moore, W. Nelson 3-4, L-Larch 3-4, H-R—Scottle, Miller 10 0 0  
Alinnace 000 000—0 0 5 1  
New York 000 001—1 6 0  
Nelson 10 0 0  
B-Stanley 10 0 0  
St. Augustine 10 0 0  
Larch 10 0 0  
H-R—Scottle, Miller 10 0 0

St. Louis 000 000—2 7 1  
Los Angeles 000 000—3 0 7  
Milwaukee 11 0 0  
Sanchez; Power, S-Jones 46, Mendenhall 171 and Schesola, W-Power, 11-1-Rhodes, 23-3  
Pittsburgh 000 010—12 6 5  
Milwaukee 000 010—12 6 5  
Mazkos, Rame 144, Melman 141, Teveth 181 and T-Pena; Elchebner and T-Kennedy, W-Elchebner, 11-1-Rhodes, 23-3  
Pittsburgh, T-Pena 31, Berry 31, San Diego, Lezcano 41, T-Kennedy 41.

**FRIDAY'S GAMES**  
American League  
Baltimore 011 010—2 3 10  
Toronto 000 000—3 10 7  
Flanagan, Stoddard 38, T-Martinez 17 and Nolan; Galt, R-Jackson 7 and R-Martinez, W-Martinez 34, L-Gott 40, H-R—Baltimore, W-Martinez 34.

120 101—7 12 2  
Boston 102 210 10x—4 4 10  
Los Angeles 10 0 0  
Pittsburgh, L-Gott 40, Flanagan 34, W-Martinez 34, L-Gott 40, H-R—Baltimore, W-Martinez 34.

**NATIONAL LEAGUE**  
East

W	L	Pct.	GB
1	1	.500	0
2	1	.500	0
3	1	.500	0
4	1	.500	0
5	1	.500	0
6	1	.500	0
7	1	.500	0
8	1	.500	0
9	1	.500	0
10	1	.500	0
11	1	.500	0
12	1	.500	0
13	1	.500	0
14	1	.500	0
15	1	.500	0
16	1	.500	0
17	1	.500	0
18	1	.500	0
19	1	.500	0
20	1	.500	0
21	1	.500	0
22	1	.500	0
23	1	.500	0
24	1	.500	0
25	1	.500	0
26	1	.500	0
27	1	.500	0
28	1	.500	0
29	1	.500	0
30	1	.500	0
31	1	.500	0
32	1	.500	0
33	1	.500	0
34	1	.500	0
35	1	.500	0
36	1	.500	0
37	1	.500	0
38	1	.500	0
39	1	.500	0
40	1	.500	0
41	1	.500	0
42	1	.500	0
43	1	.500	0
44	1	.500	0
45	1	.500	0
46	1	.500	0
47	1	.500	0
48	1	.500	0
49	1	.500	0
50	1	.500	0
51	1	.500	0
52	1	.500	0
53	1	.500	0
54	1	.500	0
55	1	.500	0
56	1	.500	0
57	1	.500	0
58	1	.500	0
59	1	.500	0
60	1	.500	0
61	1	.500	0
62	1	.500	0
63	1	.500	0
64	1	.500	0
65	1	.500	0
66	1	.500	0
67	1	.500	0
68	1	.500	0
69	1	.500	0
70	1	.500	0
71	1	.500	0
72	1	.500	0
73	1	.500	0
74	1	.500	0
75	1	.500	0
76	1	.500	0
77	1	.500	0
78	1	.500	0
79	1	.500	0
80	1	.500	0
81	1	.500	0
82	1	.500	0
83	1	.500	0
84	1	.500	0
85	1	.500	0
86	1	.500	0
87	1	.500	0
88	1	.500	0
89	1	.500	0
90	1	.500	0
91	1	.500	0
92	1	.500	0
93	1	.500	0
94	1	.500	0
95	1	.500	0
96	1	.500	0
97	1	.500	0
98	1	.500	0
99	1	.500	0
100	1	.500	0

St. Louis	25	16	410	—	1
New York	25	16	398	270	2
Philadelphia	19	573	—	—	1
San Francisco	19	484	55	—	1
Chicago	18	462	55	410	1
St. Paul	14	422	—	—	1
San Antonio	24	14	533	4	0
San Diego	20	21	468	410	1
San Francisco	22	20	467	70	1
Los Angeles	17	24	415	90	1
Cincinnati	10	23	416	90	1

**AMERICAN LEAGUE**

East	W	L	Pct.	GB
Boston	23	13	638	—
Philadelphia	23	15	476	1
St. Louis	23	16	451	2
Chicago	23	17	426	3
Washington	23	18	401	4
St. Paul	23	19	376	5
Minneapolis	23	20	351	6
Chicago	23	21	326	7
St. Paul	23	22	301	8
San Francisco	23	23	276	9
San Antonio	23	24	251	10
San Diego	23	25	226	11
Los Angeles	23	26	201	12
Cincinnati	23	27	176	13

**ROYALS 3, RANGERS 0**

At Kansas City, Dennis Leonard and Dan Quisenberry combined on a four-inning, and Amos Coffey two runs, to lead Kansas City over Texas, 3-0. Leonard allowed only two hits before being forced to leave the game in the seventh inning after being struck on his pitching hand by a line drive that broke two of his fingers.

**PHILADELPHIA**

Seasonal League	W	L	Pct.	GB
Atlanta	100	68	595-2	5
Kansas, Kansas City	99	69	589-3	1
Cincinnati	97	71	573-4	3
St. Louis	96	72	568-5	4
Philadelphia	95	73	563-6	5
Pittsburgh	94	74	558-7	6
San Francisco	93	75	553-8	7
Los Angeles	92	76	548-9	8
San Diego	91	77	543-10	9
Chicago	90	78	538-11	10
St. Paul	89	79	533-12	11
Minnesota	88	80	528-13	12
San Antonio	87	81	523-14	13
San Francisco	86	82	518-15	14
San Diego	85	83	513-16	15
Los Angeles	84	84	508-17	16
San Francisco	83	85	503-18	17
San Antonio	82	86	498-19	18
San Diego	81	87	493-20	19
Los Angeles	80	88	488-21	20
San Francisco	79	89	483-22	21
San Antonio	78	90	478-23	22
San Diego	77	91	473-24	23
Los Angeles	76	92	468-25	24
San Francisco	75	93	463-26	25
San Antonio	74	94	458-27	26
San Diego	73	95	453-28	27
Los Angeles	72	96	448-29	28
San Francisco	71	97	443-30	29
San Antonio	70	98	438-31	30
San Diego	69	99	433-32	31
Los Angeles	68	100	428-33	32
San Francisco	67	101	423-34	33
San Antonio	66	102	418-35	34
San Diego	65	103	413-36	35
Los Angeles	64	104	408-37	36
San Francisco	63	105	403-38	37
San Antonio	62	106	398-39	38
San Diego	61	107	393-40	39
Los Angeles	60	108	388-41	40
San Francisco	59	109	383-42	41
San Antonio	58	110	378-43	42
San Diego	57	111	373-44	43
Los Angeles	56	112	368-45	44
San Francisco	55	113	363-46	45
San Antonio	54	114	358-47	46
San Diego	53	115	353-48	47
Los Angeles	52	116	348-49	48
San Francisco	51	117	343-50	49
San Antonio	50	118	338-51	50
San Diego	49	119	333-52	51
Los Angeles	48	120	328-53	52
San Francisco	47	121	323-54	53
San Antonio	46	122	318-55	54
San Diego	45	123	313-56	55
Los Angeles	44	124	308-57	56
San Francisco	43	125	303-58	57
San Antonio	42	126	298-59	58
San Diego	41	127	293-60	59
Los Angeles	40	128	288-61	60
San Francisco	39	129	283-62	61
San Antonio	38	130	278-63	62
San Diego	37	131	273-64	63
Los Angeles	36	132	268-65	64
San Francisco	35	133	263-66	65
San Antonio	34	134	258-67	66
San Diego	33	135	253-68	67
Los Angeles	32	136	248-69	68
San Francisco	31	137	243-70	69
San Antonio	30	138	238-71	70
San Diego	29	139	233-72	71
Los Angeles	28	140	228-73	72
San Francisco	27	141	223-74	73
San Antonio	26	142	218-75	74
San Diego	25	143	213-76	75
Los Angeles	24	144	208-77	76
San Francisco	23	145	203-78	77
San Antonio	22	146	198-79	78
San Diego	21	147	193-80	79
Los Angeles	20	148	188-81	80
San Francisco	19	149	183-82	81
San Antonio	18	150	178-83	82
San Diego	17	151	173-84	83
Los Angeles	16	152	168-85	84
San Francisco	15	153	163-86	85
San Antonio	14	154	158-87	86
San Diego	13	155	153-88	87
Los Angeles	12	156	148-89	88
San Francisco	11	157	143-90	89
San Antonio	10	158	138-91	90
San Diego	9	159	133-92	91
Los Angeles	8	160	128-93	92
San Francisco	7	161	123-94	93
San Antonio	6	162	118-95	94
San Diego	5	163	113-96	95
Los Angeles	4	164	108-97	96
San Francisco	3	165	103-98	97
San Antonio	2	166	98-99	98
San Diego	1	167	93-100	99
Los Angeles	0	168	88-101	100

**NEW YORK**

Seasonal League	W	L	Pct.	GB
Houston, Borls (H), Pacella (F) and Laddner	100	68	595-2	5
R.Mary, Kansas City	99	69	589-3	1
W-Alamy, L-H (H), Howens, L-2, H22-New York	97	71	573-4	3
Gambile (3), Marner, L21-McCormick	96	72	568-5	4
San Francisco	95	73	563-6	5
Atlanta	94	74	558-7	6
San Antonio	93	75	553-8	7
Los Angeles	92	76	548-9	8
San Diego	91	77	543-10	9
Chicago	90	78	538-11	10
St. Paul	89	79	533-12	11
Minnesota	88	80	528-13	12
San Antonio	87	81	523-14	13
San Francisco	86	82	518-15	14
San Diego	85	83	513-16	15
Los Angeles	84	84	508-17	16
San Francisco	83	85	503-18	17
San Antonio	82	86	498-19	18
San Diego	81	87	493-20	19
Los Angeles	80	88	488-21	20
San Francisco	79	89	483-22	21
San Antonio	78	90	478-23	22
San Diego	77	91	473-24	23
Los Angeles	76	92	468-25	24
San Francisco	75	93	463-26	25
San Antonio	74	94	458-27	26
San Diego	73	95	453-28	27
Los Angeles	72	96	448-29	28
San Francisco	71	97	443-30	29
San Antonio	70	98	438-31	30
San Diego	69	99	433-32	31
Los Angeles	68	100	428-33	32
San Francisco	67	101	423-34	33
San Antonio	66	102	418-35	34
San Diego	65	103	413-36	35
Los Angeles	64	104	408-37	36
San Francisco	63	105	403-38	37
San Antonio	62	106	398-39	38
San Diego	61	107	393-40	39
Los Angeles	60	108	388-41	40
San Francisco	59	109	383-42	41
San Antonio	58	110	378-43	42
San Diego	57	111	373-44	43
Los Angeles	56	112	368-45	44
San Francisco	55	113	363-46	45
San Antonio	54	114	358-47	46
San Diego	53	115	353-48	47
Los Angeles	52	116	348-49	48
San Francisco	51	117	343-50	49
San Antonio	50	118	338-51	50
San Diego	49	119	333-52	51
Los Angeles	48	120	328-53	52
San Francisco	47	121	323-54	53
San Antonio	46	122	318-55	54
San Diego	45	123	313-56	55
Los Angeles	44	124	308-57	56
San Francisco	43	125	303-58	57
San Antonio	42	126	298-59	58
San Diego	41	127	293-60	59
Los Angeles	40	128	288-61	60
San Francisco	39	129	283-62	61
San Antonio	38	130	278-63	62
San Diego	37	131	273-64	63
Los Angeles	36	132	268-65	64
San Francisco	35	133	263-66	65
San Antonio	34	134	258-67	66
San Diego	33	135	253-68	67
Los Angeles	32	136	248-69	68
San Francisco	31	137	243-70	69
San Antonio	30	138	238-71	70
San Diego	29	139	233-72	71
Los Angeles	28	140	228-73	72
San Francisco	27	141	223-74	73
San Antonio	26	142	218-75	74
San Diego	25	143	213-76	75
Los Angeles	24	144	208-77	76
San Francisco	23	145	203-78	77
San Antonio	22	146	198-79	78
San Diego	21	147	193-80	79
Los Angeles	20	148	188-81	80
San Francisco	19	149	183-82	81
San Antonio	18	150	178-83	82
San Diego	17	151	173-84	83
Los Angeles	16	152	168-85	84
San Francisco	15	153	163-86	85
San Antonio	14	154	158-87	86
San Diego	13	155	153-88	87
Los Angeles	12	156	148-89	88
San Francisco	11	157	143-90	89
San Antonio	10	158	138-91	90
San Diego	9	159	133-92	91
Los Angeles	8	160	128-93	92
San Francisco	7	161	123-94	93
San Antonio	6	162	118-95	94
San Diego	5	163	113-96	95
Los Angeles	4	164	108-97	96
San Francisco	3	165	103-98	97
San Antonio	2	166	98-99	98
San Diego	1	167	93-100	99
Los Angeles	0	168	88-101	100

**KANSAS CITY**

Seasonal League	W	L	Pct.	GB
Tonahill, Schmidt (1), Fingers (F) and	100	68	595-2	5
San Antonio	99	69	589-3	1
San Antonio	98	70	584-4	2
San Antonio	97	71	579-5	3
San Antonio	96	72	574-6	4
San Antonio	95	73	569-7	5
San Antonio	94	74	564-8	6
San Antonio	93	75	559-9	7
San Antonio	92	76	554-10	8
San Antonio	91	77	549-11	9
San Antonio	90	78	544-12	10
San Antonio	89	79	539-13	11
San Antonio	88	80	534-14	12
San Antonio	87	81	529-15	13
San Antonio	86	82	524-16	14
San Antonio	85	83	519-17	15
San Antonio	84	84	514-18	16
San Antonio	83	85	509-19	17
San Antonio	82	86	504-20	18
San Antonio	81	87	499-21	19
San Antonio	80	88	494-22	20
San Antonio	79	89	489-23	21
San Antonio	78	90	484-24	22
San Antonio	77	91	479-25	23
San Antonio	76	92	474-26	24
San Antonio	75	93	469-27	25
San Antonio	74	94	464-28	26
San Antonio	73	95	459-29	27
San Antonio	72	96	454-30	28
San Antonio	71	97	449-31	29
San Antonio	70	98	444-32	30
San Antonio	69	99	439-33	31
San Antonio	68	100	434-34	32
San Antonio	67	101	429-35	33
San Antonio	66	102	424-36	34
San Antonio	65	103	419-37	35
San Antonio	64	104	414-38	36
San Antonio	63	105	409-39	37
San Antonio	62	106	404-40	38
San Antonio	61	107	399-41	39
San Antonio	60	108	394-42	40
San Antonio	59	109	389-43	41
San Antonio	58	110	384-44	42
San Antonio	57	111	379-45	43
San Antonio	56	112	374-46	44
San Antonio	55	113	369-47	45
San Antonio	54	114	364-48	46
San Antonio	53	115	359-49	47
San Antonio	52	116	354-50	48
San Antonio	51	117	349-51	49
San Antonio	50	118	344-52	50
San Antonio	49	119	339-53	51
San Antonio	48	120	334-54	52
San Antonio				

[illegible]

Seattle	70	23	476	6	past Seattle, 4-1, and prevent Gaylord Perry from recording his 301st victory.	
San Francisco	70	25	491	1069		
St. Louis	71	24	139			
Washington	72	21	297	1499		

White Sox, 3, Indians 2		
-------------------------	--	--

At Chicago, Bill Almon's two-out RBI double broke a 2-2 tie in the seventh inning to lift Chicago over the Sox, 4-2, in 10 innings.		
---	--	--

NEW YORK YANKEES—Recalled Jim Fregatta, outfielder from Long Beach of the International League.		
---	--	--

MINNAPOLIS—Purchased the contract of Rick Seaver, catcher, from the New York Yankees; called up Gary Berry, first baseman, from the Sox; and sent the Pacific Coast League's		
--	--	--

TORONTO BLUE JAYS—Announced the purchase of pitcher Cecil Cooper from the		
---	--	--

At Cincinnati, Charlie Leisner allowed one run, eight hits, and six		
---	--	--

past Seattle, 4-1, and prevent Gaylord Perry from recording his 301st victory.		
--	--	--

White Sox, 3, Indians 2		
-------------------------	--	--

NEW DELHI — Indian officials have confirmed that Israel and Cambodia will be excluded from the forthcoming ninth Asian Games, which will be held in New Delhi.		
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Both the countries are members of the 34-nation Asian Games Federation and, therefore, eligible for participation in the Games. But the Indian officials said the		
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Expos, 2, Reds 0		
------------------	--	--

At Cincinnati, Charlie Leisner allowed one run, eight hits, and six		
---	--	--

past Seattle, 4-1, and prevent Gaylord Perry from recording his 301st victory.		
--	--	--

**FOOTBALL**  
National Football League  
**CHICAGO, BEARS-Signed Duke** **FORWARD**  
The Chicago Bears signed Duke ...

and The Clark, who were permitted to play seven innings. Les permitted only a one-out single by Dan Driessen, Cleveland Browns—Traded Don Kahl, Cleveland Indians, to Oakland Raiders for future draft considerations.

KANSAS CITY CHIEFS—Signed Del Williams, nose tackle, who was with the Oilers, nose tackle, who was with the Oilers, and Mike Phillips, half end.

NEW YORK GIANTS—Signed Dave Smith, defensive back; Terry Steve, guard; Russ Johnson, defensive tackle; Mike Young, quarterback; Keith McCord and Larry Reid, defensive backs; Paulino Chubb, wide receiver; Geoff Arns, tight end; and Mike Williams, defensive back.

INDIANAPOLIS FOOTBALL LEAGUE  
TORONTO ARGONAUTS—Traded the

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INDIANAPOLIS FOOTBALL LEAGUE  
TORONTO ARGONAUTS—Traded the

Games Organizing Committee said that India did not expect the International Olympic Committee and the International Amateur Athletic Federation to drop recognition of Israel. A senior Israeli sports official dismissed his country's exclusion from the Games as a political act lacking any significance.

Israel was barred from the 1978 Asian games at Bangkok on security grounds. It had been told that IAAF refused to grant sanction to

**Browns and Raiders**

**Make Another Trade**

*United Press International*

CLEVELAND The Cleveland Browns have traded starting outside linebacker Don Goode to the Oakland Raiders for "future considerations."

Goode was the third veteran the Browns had sent to Oakland in the past three weeks. Running back

**Padres 7, Pirates 5**

At San Diego, Ruppert Jones drove in two runs and John Mon-

**More Sports**

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## INVITATION TO INTERNATIONAL TENDERS

- EGPC has obtained a loan from the World Bank for Abu Qir Gas Field Development, Phase II project.
- Western Desert Operating Petroleum Company "WEPCO", on behalf of EGPC invites tenderers to submit their quotations for letting two Tug/Anchor handling and supply for drilling activities back up.
- Tender Documents can be withdrawn from WEPCO Office, Alexandria as from Sunday, May 23rd, 1982 against payment of E.E 20.- or U.S. \$30.
- Closing date for submitting offers is noon Sunday 4th, July 1982.

## INVITATION TO INTERNATIONAL TENDERS

Reference is hereby made to the ad published on May 10th, 11th and 12th re quotation required for VAM Thread - 2800 Joints of 3½" Tubing. Tenderers are requested to submit their quotations in a sealed offer. Closing date and bids opening remain unchanged Monday, June 21st at noon.

**IMPORTANT NOTICE TO TIBER ENERGY  
SHAREHOLDERS AND WARRANTHOLDERS**

**TWIN RICHFIELD  
OILS LTD.**

**TIBER ENERGY  
CORPORATION**  
an amalgamation of  
Tiber Resources Ltd. and  
Applan Energy Corporation

The basis of the Offer is ~~\$4.25~~ **\$1.50** and one ~~\$4.25~~ **\$1.50** Cumulative Redeemable Convertible Preferred Share Series B (with a paid up capital of \$10) of Twin

Richfield Oils Ltd. for each 2.5 common shares of Tiber Energy Corporation, and ~~\$1.00~~ **\$1.25** for each Tiber Energy 1984 Warrant. Dividends on the ~~\$1.00~~ **\$1.50** Cumulative Redeemable Convertible Preferred Shares Series B will accrue from a date one year after the date of issue and will be cumulative until June 30, 1995 and non-cumulative thereafter.

THIS OFFER IS OPEN FOR ACCEPTANCE UNTIL 4:30 P.M. LOCAL TIME ON JUNE 9 1982, UNLESS EXTENDED, AND MAY BE WITHDRAWN IF THE CONDITIONS SET FORTH IN THE OFFER ARE NOT SATISFIED.

**\$1.50 cash and one \$1.50 cumulative redeemable convertible preferred share series B for each 2.5 common shares of Tiber Energy Corporation.**

Example of Improved Offer to Tiber Shareholder owning 1,000 shares and accepting Twin Richfield offer:

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Copies of the Offer to Purchase and Take-over Bid Circular may be obtained from Guaranty Trust Company of Canada, your own investment dealer or broker, or from the undersigned:

**TWIN RICHFIELD OILS LTD.**  
500, 707 - 7th Avenue S.W.  
Calgary, Alberta, Canada T2P 0Z2

Telephone: 403-266-7042      Telex: 03-821254

Week Ended May 21, 1982

Sales High Low Last Chg

Chiters	2,752,680	29	2593	3044	-16
Chivac	3,952,360	38	3454	37	+18
CHSUSU	1,352,360	38	1376	1399	+24
BAT	2,887,680	43	42	42	-1
RAM	2,611,000	55	54	54	-1
Chesee	2,401,700	52	44	45	-7
Excuse	2,382,700	29	3814	28	-3
AmyAir	2,385,480	17	424	17	-16
WynCar	2,385,480	33	33	33	-1
Chesee	2,385,480	44	44	44	-1
SonyCo	2,066,400	14	14	14	-1
NLT	1,933,300	30	26	26	-1
Tandy	1,740,280	29	29	29	-1
Scars	1,711,580	28	27	28	+1
Korac	1,651,300	25	25	25	-1
CHSUSU	1,651,300	28	28	28	-1
Dolpet	1,471,800	25	25	24	-1
Deere	1,453,200	25	25	25	-1
Houlin	1,439,200	24	24	24	-1

Week Ended May 21, 1982

Sales High Low Last Close

GmCP A	8,732,800	71%	51%	6	-1%
OfficeD	388,700	12%	11%	12%	-%
WorncB	462,400	23%	28%	28%	-%
Dakotad	307,600	22%	20%	20%	-%
RamporR	255,000	61%	64%	6	-1%
GcBoon	254,000	2%	2%	2%	-%
InfStat	242,000	5%	5%	2%	0%
ChenH	227,800	3	2%	2%	-%
ReorAI	225,100	27%	19%	19%	-0%
OzarkA	194,400	11%	10%	10%	-%

Volume: 22,698,000 shares  
 Year to Date: 633,910,000 shares  
 Issues traded in: 925  
 Advances: 259 / declines: 571 / unchanged: 145  
 New Highs: 30 / new lows: 54

[illegible]

8-19	11.5	11.5	11.5
8-20	11.5	11.5	11.5
8-21	11.5	11.5	11.5
8-22	11.5	11.5	11.5
8-23	11.5	11.5	11.5
8-24	11.5	11.5	11.5
8-25	11.5	11.5	11.5
8-26	11.5	11.5	11.5
8-27	11.5	11.5	11.5
8-28	11.5	11.5	11.5
8-29	11.5	11.5	11.5
8-30	11.5	11.5	11.5
8-31	11.5	11.5	11.5
9-1	11.5	11.5	11.5
9-2	11.5	11.5	11.5
9-3	11.5	11.5	11.5
9-4	11.5	11.5	11.5
9-5	11.5	11.5	11.5
9-6	11.5	11.5	11.5
9-7	11.5	11.5	11.5
9-8	11.5	11.5	11.5
9-9	11.5	11.5	11.5
9-10	11.5	11.5	11.5
9-11	11.5	11.5	11.5
9-12	11.5	11.5	11.5
9-13	11.5	11.5	11.5
9-14	11.5	11.5	11.5
9-15	11.5	11.5	11.5
9-16	11.5	11.5	11.5
9-17	11.5	11.5	11.5
9-18	11.5	11.5	11.5
9-19	11.5	11.5	11.5
9-20	11.5	11.5	11.5
9-21	11.5	11.5	11.5
9-22	11.5	11.5	11.5
9-23	11.5	11.5	11.5
9-24	11.5	11.5	11.5
9-25	11.5	11.5	11.5
9-26	11.5	11.5	11.5
9-27	11.5	11.5	11.5
9-28	11.5	11.5	11.5
9-29	11.5	11.5	11.5
9-30	11.5	11.5	11.5
9-31	11.5	11.5	11.5
10-1	11.5	11.5	11.5
10-2	11.5	11.5	11.5
10-3	11.5	11.5	11.5
10-4	11.5	11.5	11.5
10-5	11.5	11.5	11.5
10-6	11.5	11.5	11.5
10-7	11.5	11.5	11.5
10-8	11.5	11.5	11.5
10-9	11.5	11.5	11.5
10-10	11.5	11.5	11.5
10-11	11.5	11.5	11.5
10-12	11.5	11.5	11.5
10-13	11.5	11.5	11.5
10-14	11.5	11.5	11.5
10-15	11.5	11.5	11.5
10-16	11.5	11.5	11.5
10-17	11.5	11.5	11.5
10-18	11.5	11.5	11.5
10-19	11.5	11.5	11.5
10-20	11.5	11.5	11.5
10-21	11.5	11.5	11.5
10-22	11.5	11.5	11.5
10-23	11.5	11.5	11.5
10-24	11.5	11.5	11.5
10-25	11.5	11.5	11.5
10-26	11.5	11.5	11.5
10-27	11.5	11.5	11.5
10-28	11.5	11.5	11.5
10-29	11.5	11.5	11.5
10-30	11.5	11.5	11.5
10-31	11.5	11.5	11.5
11-1	11.5	11.5	11.5
11-2	11.5	11.5	11.5
11-3	11.5	11.5	11.5
11-4	11.5	11.5	11.5
11-5	11.5	11.5	11.5
11-6	11.5	11.5	11.5
11-7	11.5	11.5	11.5
11-8	11.5	11.5	11.5
11-9	11.5	11.5	11.5
11-10	11.5	11.5	11.5
11-11	11.5	11.5	11.5
11-12	11.5	11.5	11.5

**NEW YORK** — U.S. Steel plans

The company said Friday it will close the plant in mid-June and lay off 3,500 workers because it could not reach an agreement with the United Steelworkers union to reduce the work force at the mill. No longer employees, are to be recalled until early 1984, when a new seamless pipe mill is to begin operations there, the company said.

The nation's largest steelmaker said that it had proposed reducing the payroll by 750 workers to reduce its losses until the new pipe mill opens.

Thermon Phillips, the director of the local union, called the decision a "cheap shot" and said that U.S. Steel had made a proposal that it knew the union would find

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## SPORTS

# Monte Carlo Race Taken by Patrese In Bizarre Finish

United Press International  
**MONTREAL** — Riccardo Patrese of Italy claimed his first victory in 71 Grand Prix auto races Sunday because his Brabham was the only leading car that was able to finish the Monte Carlo Grand Prix.

The race ran smoothly for 72 of the 100 laps, with Alain Prost of France leading the pack. Prost, who was running third, was leading the race when Patrese and Didier Pironi, who was running fourth, were running third.

But then an extraordinary sequence of events followed. Prost's Renault, having led for almost 60 laps without problems, suddenly crashed into guard rails, breaking off both front wheels.

Patrese, now comfortably in first, spun at a bend, possibly made slippery by light rain, and let Pironi through. But Pironi's Ferrari ran out of fuel on the last lap, coming to a halt in the tunnel less than 2 miles from the finish line.

Patrese, meanwhile, had rejoined the race — with a push from track officials who were trying to get his car out of the way of any other that could be approaching.

Patrese took the checkered flag when Andrea de Cesaris of Italy, the only other competitor in a position to deprive him of victory, stopped on another part of the track in his Alfa Romeo.

"I cannot believe what has just happened," the 28-year-old Italian said. "No one doubted him."

Despite not having completed the race, Prost was awarded second place and de Cesaris third, both one lap behind the winner.

Apart from Patrese, five other cars were running at the end of the race, but so far behind as to have no bearing on the top placings. But Britain's Nigel Mansell drove his Lotus to fourth position, just ahead of Elio de Angelis, his Italian teammate, with Derek Daly of Ireland sixth in a Williams.

Had Patrese failed to restart and finish the race, he would have been out of the points.

the two Lotus continued just one more time around the track, they would have been first and second, instead of fourth and fifth.

Prost, eventually classified seventh, had followed René Arnoux, his Renault teammate, into a commanding lead over the rest of the field in the early laps.

But on the 14th lap Arnoux, under no pressure, spun at a corner and could not restart his car. The battle was then between Prost and Patrese, with the Frenchman pulling away when the track ahead was clear, and the Italian narrowing the gap each time the leaders approached and eventually lapped backmarkers.

On his victory lap after the finish, Patrese stopped on the course, had Pironi climb up onto his car, and the two completed the circuit to great cheers from thousands of appreciative, but by now totally bewildered fans.

As a pleasant postscript in a Grand Prix which for once was all about racing, and not about politics, there were no objections raised to Patrese's push-start after he stalled, no technical rows and no disqualifications.

From Agency Dispatches  
**MONTREAL** — Riccardo Patrese, Italy, Brabham, 1:54:11.229.  
 2. Alain Prost, France, Renault, one lap behind.  
 3. Andrea de Cesaris, Italy, Alfa Romeo, one lap behind.  
 4. Nigel Mansell, Britain, Lotus, one lap behind.  
 5. Elio de Angelis, Italy, Lotus, one lap behind.  
 6. Derek Daly, Ireland, Williams, two laps behind.  
 7. Alain Prost, France, Renault, three laps behind.  
 8. Brian Henton, Britain, Tyrrell, four laps behind.  
 9. Marc Surer, Switzerland, Arrows, six laps behind.  
 10. Michele Alboreto, Italy, Tyrrell, seven laps behind.

**FORMULA ONE STANDINGS**  
 1. Prost, 18 points  
 2. John Watson, Britain, 17  
 3. Patrick Tambay, France, 16  
 4. Gilles Villeneuve, Canada, 14  
 5. Patrese, 13  
 6. Nelson Piquet, Australia, 12  
 7. Alan Jones, Australia, 11  
 8. de Angelis, 10  
 9. Mansell, 9  
 10. Carlos Reutemann, Brazil, 8

The play erased a ninth-inning grand slam home run by Houston's Terry Puhl off Allen (1-2) to tie the score and force the extra innings. It was Puhl's fourth home run of the season and his first career slam.

Houston starter Nolan Ryan struck out 10, the 136th time he has struck out that many or more. The 10th strikeout was his 3,300th in the majors; only Walter Johnson and Gaylord Perry have more.

Cubs 2, Giants 1  
 In San Francisco, Steve Henderson singled in two runs in the fifth inning to lead Chicago to a 2-1 victory over San Francisco. Allen Ripley, Lee Smith and Willie Hernandez combined on a four-hitter to give Chicago its third straight victory and 10th in its last 15 games.

Phillies 5, Braves 2  
 In Atlanta, Mike Krukow (4-2) and Ed Farmer combined on an eight-hitter and Pete Rose hit a two-run double as Philadelphia defeated Atlanta, 5-2, to snap a four-game losing streak.

Expos 4, Reds 2  
 In Cincinnati, Warren Cromartie drove in two runs with a homer and single and Scott Sanderson won his first game since April 30 as Montreal beat Cincinnati, 4-2.

Dodgers 3, Cardinals 2  
 In Los Angeles, Pedro Guerrero bounced a two-run single through the middle as Los Angeles scored three times in the fifth to rally and beat St. Louis, 3-2.

Padres 12, Pirates 3  
 In San Diego, Sixto Lezcano and Terry Kennedy each hit a home run and drove in a total of seven runs to help San Diego rout Pittsburgh, 12-3.

Orioles 6, Blue Jays 0  
 In the American League in Toronto, a two-run homer by John Lowenstein and a solo shot by

Steinbrenner Shows Interest In Purchasing NHL Rockies  
 BUFFALO, N.Y. — George Steinbrenner, the principal owner of the New York Yankees baseball team, has met with Peter Gilbert, owner of the Colorado Rockies of the National Hockey League, to discuss buying the financially strapped NHL club and moving it to New Jersey.

"I met with George for the first time Friday and he seemed very interested in the team," said Gilbert, who lives in Buffalo and owns a cable television company in the city. "He said he will get back to me. I'm not shopping my team around. But let's face it, I'm in no position to refuse talking to anybody."

Steinbrenner's trades, frequent managerial changes and desire to be in the spotlight have made him the most visible of baseball owners. He also has made the Yankees a success, after about 10 years of failure following the 1964 season.

Steinbrenner's interest in buying the hockey team put him in direct competition with a former partner, Cupecoy's Joy Captures Acorn Stakes, Breaking Track Record Set by Ruffian

NEW YORK TIMES SERVICE  
**BELMONT, N.Y.** — Cupecoy's Joy, the New York-bred filly who has often been the object of snickers and scorn for racing against horses considered out of her class, had the last laugh Saturday at Belmont Park. She led at every pole to win the \$86,250 Acorn Stakes, the first of the New York filly triple-crown races.

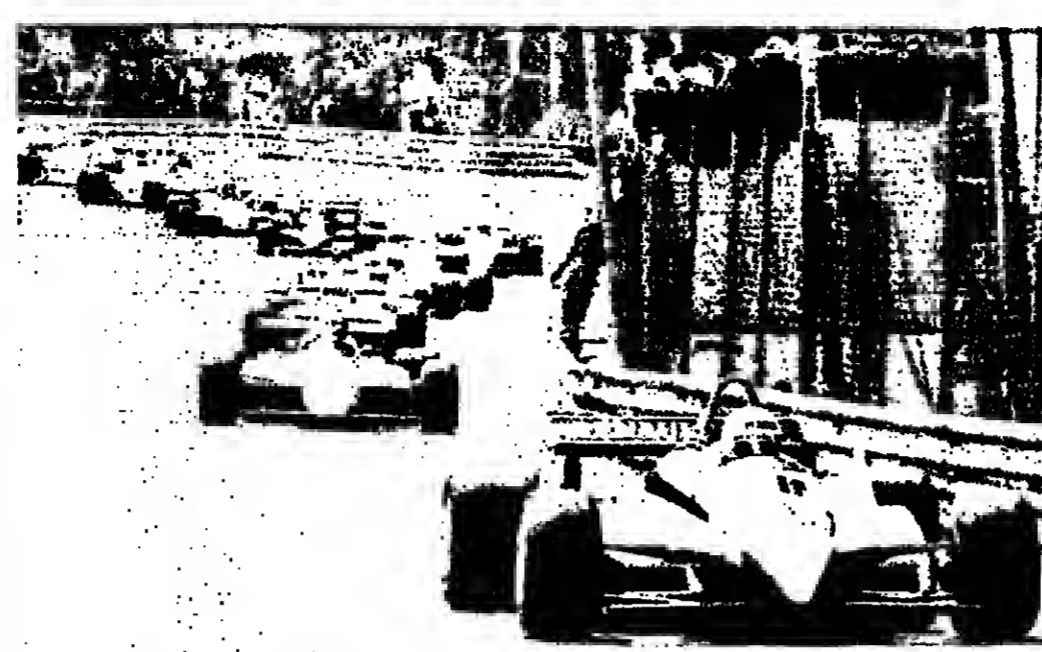
The high-strung filly had set the pace in the Kentucky Derby before finishing 10th against a field of colts and then was scratched from the Preakness because her owner was not given enough box seats. But Saturday she broke Ruffian's Acorn Stakes record by running the mile under Angel Santini.

ago in 1:34 1-5 over a slightly wet track. Cupecoy's Joy scored by 2 1/4 lengths over Nancy Huang and returned \$17.20 for \$2 to win. Vestris was another 3/4 lengths back in third. Before Dawn, the 8-5 favorite, finished last in the field of nine.

Roberto Perez, the winner's owner, and Alfredo Callejas, her trainer, are both Argentines, and they have suggested in recent weeks that they were being treated poorly by the racing establishment because of the Falkland Islands crisis. Saturday, they hugged each other in the winner's circle and said their dreams had been realized.

The Acorn is the first of the New York triple crown series for 3-year-old fillies. It is followed by the Mother Goose at a mile and one-eighth June 4, the day before the Belmont Stakes, then the mile-and-one-half Coaching Club American Oaks on June 26.

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René Arnoux was ahead in the early moments of the Monte Carlo Grand Prix.

## Pitcher Bunts Run Home in 12th To Give Mets Victory Over Astros

From Agency Dispatches  
**HOUSTON** — New York catcher John Stearns bunted home the winning run on a bunt by relief pitcher Neil Allen in the 12th to give the Mets a 6-5 victory over the Houston Astros Saturday.

"He had me but I just wasn't going to just run by him and let him tag me out," said Stearns of his winning run when he crashed into Astro catcher Alan Ashby and jarred the ball from Ashby's grasp.

"I didn't hit him square but I hit the ball before he had a chance to grip it."

Stearns, who had four hits, had walked with one out in the 12th, stolen second and went to third on Hubie Brooks' fly ball. Allen bunted down the third-base line, and losing pitcher Randy Moffitt (0-3) fielded the ball and threw to home, where Ashby dropped the ball in the collision.

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# Celtics Force a 7th Contest With 88-75 Defeat of 76ers

United Press International  
**PHILADELPHIA** — Robert Parish and Larry Bird sparked a run of 12 consecutive points in the fourth quarter Friday night to carry the Boston Celtics to an 88-75 victory over the Philadelphia 76ers, forcing a seventh game to decide the Eastern Conference final.

The Celtics, given up for dead last Sunday when they fell behind 3-1 in the series, were to have a club as successfully rebounded from that deficit against the 76ers for the second straight year Sunday at Boston Garden.

"We never gave up," Parish said. "We always believed the game's not over until the last second ticks off the clock. I've got to give this club a lot of credit for having a lot of courage."

Kevin McHale took the moribund Celtics' eye view. "We were lying down in the coffin," he said. "Now both teams have a couple of feet in the coffin. Whoever slips in first, the other team will nail the coffin shut."

It is hard to tell what has contributed more to this sudden turnaround — the Celtics' hustle and pressure on defense or the 76ers' inability to throw the basketball into the ocean when forced into a set offense.

Check these figures. The 76ers: Scored 27 points in the second half, the lowest total for a half in any NBA playoff game since the adoption of the 24-second clock in 1954, and 11 in the fourth quarter, tying a record.

Made only 7 of 34 shots (20.6 percent) in the second half, including an incredible 3-of-19 (15.8 percent) performance in the final quarter.

Sank only five field goals in the final 18:12 of the game, two of them courtesy of goaltending calls against McHale and Rick Robey.

Saw Andrew Toney, who had 39 points in Game 4, fizzle with just one field goal on 11 shots for three points.

"I'd say in the whole second half we couldn't generate anything," said the 76er coach, Billy Cunningham. "They blocked a lot of shots and played outstanding defense. The game really turned around once they got the lead. We had our opportunities early."

The Celtics trailed by 15 in the first quarter, by 12 late in the second, never led until 7:58 remained in the game. That is when Parish hit a jumper in the lane in give Boston a 69-67 advantage.

But the Celtics, who started the surge trailing, 67-61, following a 3-point play by Julius Erving with 9:46 left to play, were not through. Parish, playing with five fouls, hit another jumper, and Bird earned a long shot, his second basket of the rally, to give the Celtics a 73-67 lead with 6:47 left.

A collapsing Boston defense, meanwhile, held the 76ers without a field goal for 4:07. Philadelphia was unable to do anything out of a set offense.

Erving Leads Scorers  
 McHale led Boston with 17 points. Erving led all scorers with 24.

The Celtics, who trailed at halftime, 48-42, tied the score for the first time at 51-51 on a follow-up basket by Cedric Maxwell with 8:39 left in the third period. The game was also deadlocked at 53-53 and 57-57 before the 76ers established command at 64-58.

McHale hit a 3-point play with 10 seconds remaining to cut the deficit to three by the end of the quarter.

The 76ers started quickly, scoring the game's first seven points, and extended their advantage to 25-10 with 3:41 left in the first quarter on Toney's only basket of the night. But Bird led Boston on a 10-1 tear through the remainder of the quarter to close the gap to 26-20.

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Montreal's CFL Team in Business  
 MONTREAL — Montreal's new Canadian Football League team has won a courtroom battle to fend off seizure of the former Alouette franchise and its player contracts by past owner Sam Berger.

The ruling Friday by a Quebec Superior Court justice relieved the new yet-to-be-named franchise from the threat of seizure of its players and cleared the way for it to begin normal business. The CFL had earlier advised the Montreal Football Club and Co. not to make any transactions until the seizure motion was settled.

The CFL awarded all Alouette players except quarterback Vince Ferragamo to the Montreal Football Club Friday after Justice Paul Reeves postponed hearings on Berger's attempt to seize the franchise until next Friday, but granted the CFL's motion to deposit \$280,000 — the amount still owing from Berger's 1981 sale of the Alouettes to Vancouver entrepreneur Nelson Skalbania — with the court.

"All remaining impediments to the operation of a new franchise have been removed," CFL lawyer Allan Hilton said. He said the new team was free to sign players to contracts and to make trades.

Hilton said the court would not prevent the operations of the new team, but only rule on whether a CFL team can be seized. If the court ruled in Berger's favor, he would receive the \$280,000. If ruled a team cannot be seized, the money would be refunded in the league.

Berger, who filed his first writ of seizure in March, hoped to regain the money still owed from the sale of Alouettes to Skalbania and to ensure that none of the team's many creditors would attempt to sue him for payment.

Ferragamo was exempted from assignment to the new team because he had been granted the right to negotiate a contract with National Football League teams.

A group of investors headed by Charles Bronfman, chairman of the Montreal Expos of baseball's National League, was granted the new Montreal CFL franchise May 14 when Skalbania's debt-ridden Alouettes were dropped from the league. Debts accumulated during Skalbania's one-year tenure reportedly topped \$5 million.

Congressmen Try to Block Move South by NFL Raiders  
 LOS ANGELES — Three congressmen, two from Northern California, have joined in sponsoring a bill that could block the Oakland Raiders' move to Los Angeles.

The bill, introduced Friday, was designed to overturn a jury's verdict that the National Football League violated antitrust laws by keeping the Raiders' franchise in Oakland. The bill would require teams to get league approval before moving to another city.

The NFL has asked Los Angeles federal Judge Harry Pregerson to block the Raiders' move while it appeals the verdict. Pregerson is expected to rule next week on whether to grant the request.

Representative Forney Stark Jr., an Oakland Democrat who is sponsoring the legislation with fellow Democrat Donald Edwards of San Jose and Henry Hyde, an Illinois Republican, said the bill could wipe out the verdict because of a provision covering cases that "have not proceeded to final judgment," including appeals.

The bill, the Major League Sports Community Protection Act, would require teams to get league approval before moving to another city.

Spain Expands Drug Testing Lab For World Cup  
 MADRID — Spain's official sports laboratory, one of the biggest in Europe, has doubled its staff to cope with compulsory drug tests during the four-week World Cup, which involves 24 teams and starts June 13.

Only two cases of illegal doping have been detected in previous World Cup soccer matches, so prevention more than fear of new abuse triggered the staff increase and a \$70,000 investment in new testing equipment at the government-run Sports Council Antidoping Control center.

Teodoro Delgado, official representative in Spain of the medical commission of FIFA, the world soccer body, said Friday that in the first phase of the tournament, two randomly selected players of each team undergo tests after each match. In the second round, semifinals and finals, four players are tested.

FIFA bans stimulants of the muscular and nerve systems, such as amphetamine and cocaine, but also several medicines taken regularly by athletes.

Thompson Sets Record In Decathlon in Austria  
 GOETZIS, Austria — Britain's Olympic decathlon gold medalist, Dwayne Thompson, set a world record in the event Sunday when he scored 8,707 points and improved on the mark of 8,649 points set by Guido Kratschmer of West Germany on June 15 1980.

France, Russia Tie in Rugby  
 MOSCOW — France and the Soviet Union fought to a 10-10 draw Saturday in their European rugby Group A match, Tass reported. The French had already clinched the European championship.

## LANGUAGE

## Extinguish 'Burnout'

By William Safire

NEW YORK—A snipe posted on a wood fence near my Washington office warns of "burnout," an occupational ailment complained about by frustrated or exhausted government employees.

A recent New Yorker cartoon by George Booth picks up this vogue location, now being overused by white-collar workers who feel overworked themselves. The cartoon shows a frazzled schoolteacher climbing out of a classroom window to end it all, with one pupil explaining to another: "Teacher burnout."



Safire

"To burn oneself out"—applied to people, in the manner of a fire dying for lack of fuel—entered the slang lexicon around the turn of the century. In 1917, poet T.S. Eliot bemoaned "the burnt-out ends of smoky days," followed two years later by Fanny Hurst's "a tired, a burned-out, an ashamed smile"; and in 1955, four-minute Miller Rogers Bannister was refusing to run longer races because "I shall burn myself out."

British author Graham Greene, in his 1959 "Congo Journal," wrote that a "burnt-out case" was a leprosy that had been cured only after the disease had run its destructive course; he turned that into a metaphor and popularized the term in the title of a 1961 novel about a man ravaged by his career.

In political hyperbole, the same image had been used earlier by Benjamin Disraeli to describe his rival, William Gladstone. "An exhausted volcano" was his term, picked up by Richard Nixon in 1972 as he swept from his administration the people he considered tired, lest "after a burst of creative activity, we become exhausted volcanoes."

In drug lingo, "burned out" is a sclerotic condition of the veins, reported the late David Mervin in his "Underworld," present in longtime addicts who have been shooting "up and down the lines."

But when did this familiar word picture turn into a noun? Ralph

De Sola's new Crime Dictionary lists "burnout" as the gutting of a house or apartment by fire, but that's not the metaphorical meaning we're talking about. In Webster's Sports Dictionary, published in 1976, a drag-racing definition appears for the word: "A brief spinning of the rear tires of a drag racer in a small puddle of water. The friction created by the burnout heats up the tires and softens the rubber so that they will have increased traction during the race." That cannot be the source of the burnout we mean, either.

The use of the word to mean an affliction of the pooped, disgusted person loaded down with ennui and unable to function in his job was probably coined in 1974 by a New York psychiatrist, Dr. Herbert Freudenberger (good name for a psychiatrist). He is the co-author of a book, "Burn-Out: The High Cost of High Achievement," and defined "burnout" as "the extinction of motivation or incentive, especially where one's devotion to a cause or relationship fails to produce the expected rewards."

In 1980, several other books pushed "burnout" in their titles, including "Teacher Burnout and What to Do About It" by Stephen Tracht, which stimulated time magazine into writing a sizable piece and caused Miss Tinseltown to head out the window.

The location is now undergoing linguistic burnout.

IT BEGAN when President Reagan announced he was ready to "go the extra mile" to achieve a budget compromise. Speaker of the House Thomas P. (Tip) O'Neill Jr. took the metaphor a step further by denigrating the president's trip to Capitol Hill with: "He'd walk a mile for a camera. That was a play on the Camel cigarette slogan of a couple of generations ago and surely drew a smile from pun-loving geese, even if it whizzed past most of the population."

Dan Schorr, of Cable News Network, tells me he has seen this extra-mile usage reported as "the president said he would go the last mile." No. The "last mile" refers to a walk taken by a condemned man on his way to execution. No political mileage in that.

New York Times Service

## Ephraim Kishon

By Jordan Elgrably

International Herald Tribune

APPENZEL, Switzerland—"I became a satirist when I learned that mankind is insane," Ephraim Kishon says.

Running here in a mountain villa, where the silence is mollifying for the prolific Israeli humorist, he recalled how an avocation became an obsession. After writing novels as a child and winning a prize for a short story at 17, it was an odyssey of wartime adventures, which began in 1942, that made the young dabbler a seriously funny writer.

His looks at 18—dashing trim figure, blue eyes, crewcut blond hair and mustache—landed him in Fascist Hungary's Youth Bodyguard. Uncovered as a Jew, he put in time in German, Hungarian and Soviet camps. Between escapes, he flitted about 1944 Budapest from flat to flat, amid food shortages, epidemics and bullets. Then, as the war was coming to a climax, he sat down and committed the world to paper.

"You know the story—I was hiding. At the end of the war, I escaped the German lines, wanting to reach the Russians. This was at the border near Budapest. In short, I got stuck in the middle."

"Bombs were falling and with the heavy cross fire of artillery I couldn't do anything but crawl, looking for shelter. I found a bombed-out house and went down to the cellar. And there," he chuckles sardonically, "I discovered nothing but about 100 jars of tomato juice—typical Hungarian provisions. I also found more pencils and big blocks of paper. Living on the tomato juice and all its acid, I had an incredible diarrhea, but I began to write, in the inference of events, of a political movement against bald-headed people."

Bald-headed people? "Yes, why not?" Kishon emerged from the hole six weeks later with his first satirical novel, a parody of Nazism and "the idiosyncrasies and craziness of the laws against the Jews. Eventually it is won Hungary's highest literary prize, but initially it was banned by Communist leader Matyas Rakosi, who was himself bald."

'Making a Living'

"I'm often asked if there is an Israeli humor," says survivor-satirist Kishon now. "There isn't, but I'm making a living off it."

He first came to Appenzel from Afula, Israel, (where he lives half the year) 10 years ago, to supervise foreign productions of his plays and to write. He finds the hamlet ideal and has just put the finishing touches to his latest collection of satires, "The Camel in the Eye of the Needle." He also has an office in Zurich.

Syndicated journalist, playwright and the author of 47 books which have been translated into 25 languages. With 26 million copies sold, he is per-

haps the world's most published contemporary satirist.

"In America, I'm a big fat nothing," he complains, though The New York Times has praised him, Mark Twain and Jewry's revered humorist, Shalom Aleichem, in the same panegyric. A compendium of the Israeli's diatribes, "New York Ain't America," has just been unleashed on that city and exemplifies his unflinching virility: "American writers confront incredible humiliations. When in the United States the name of an esteemed author comes up during a conversation, it isn't the literary prowess of his oeuvre which is lauded, nor his mastery of expression and polished language, not even the depths of his fantasy. He's not praised any more than with the statement, 'He makes \$500,000 a year. Disgusting, isn't it?'"

German Success

His big success has been in the German-speaking world. He has for the past 10 years sold more books than Heinrich Böll and Günter Grass together. "A pity good old Adolf hadn't lived to see it," Kishon chortles.

"It may be that my humor is originally Central European, but in the whole Kishon there are only two things Hungarian: my accent and my stomach."

He went in Israel in 1949, fleeing a Hungary muted under the Stalinist regime ("Communism is a beautiful theory with one defect—you can realize it").

He says he does not write as a Jew, but as an Israeli, and he adds, unlike American Jewish writers, "I am not delivering the stuff that goes over." "Gentiles don't want to read about the Israeli pilots who bombed the nuclear reactor in Iraq, who flew 800 kilometers and returned safely, pinpointing a 20-meter building. They don't like to read about Entebbe either. They want Tony, the Dairyman."

Kishon feels he's the first Jewish writer to portray Jews as human beings, living in Israel as "people with simple problems." When, in 1976, he collected the Aachen Prize, one of West Germany's highest civic awards, already given to former President Walter Scheel and Chancellor Helmut Schmidt, he was cited for "humanizing the relationship between citizen and authority."

His satires are artfully vituperative and full of critical understatement. He says he never criticizes his country abroad, but only at home, which is perhaps why Golda Meir once offered him a vice-ministerial post in propaganda. His plays, films and books arouse smiles and sympathy for the beleaguered state, he agrees, but he refused the offer.

Kishon warns: "Israelis have a dangerous mania in common: They absolutely must build up the country. But since the Jews are, as everybody knows, a people that are averse to work, they, for instance, finish the construction of a house in three days so they can loaf the rest of the week."



Satirist Kishon

He, however, wasn't loafing, when in 1952 he was given the rare chance to write a column for Israel's largest newspaper, Ma'ariv. His career blossomed.

"When I began to write this daily column of 30 lines, it seemed to me I spent 30 hours a day on it. It was impossible. Almost." Arriving in the promised land three years earlier without knowing a word of Hebrew, Kishon worked in a kibbutz as a plumber, electrician, groom and toilet scrubber before he mastered the language. "There is no transition from Hungarian in Hebrew as there is no transition from an apple to a light bulb," he says, erupting in smiles.

Marriage Renewal Exam

Happily married for 25 years to Sarah Lipovitz, a concert pianist who studied at Juilliard in New York and now runs an art gallery in Tel Aviv, Kishon cautions, "I'm a satirist in what I write, but not how I live."

He exorcises marriage as one of mankind's greatest follies: "There ought to be a law for marriage renewal every 20 years, with an exam similar to the one you take for a driver's license. After all, it's no secret that marriage is something for women and not men. Obviously then, only women should get married."

His wife is the "little woman" in many of his books. Kishon says: "The soul of the woman is for me an open book, unfortunately written in an incomprehensible language."

And sex? "I must disappoint you," he replies. "I like it."

## LETTER FROM SYDNEY

## Search for 'Criminals'

By John Shaw

SYDNEY—Though Australia's bicentennial is still six years away, ambitious preparations are already being made to celebrate the anniversary. But the planners face a delicate historical challenge.

The approach favored by government officials is to focus on the first permanent white settlement, which was established on the site of this city in 1788. Several private groups contend, in contrast, that the real character of the initial settlers ought to be commemorated.

This difference in emphasis has stirred a bit of a debate—for the early Australians were convicts. And there is some feeling that exposing their origins may prove embarrassing.

Many Australians reject that notion. Not only are they proud of their forefathers, but genealogists have been driving on convicts from families eager to trace their illicit roots.

By present-day standards, of course, the pioneer outlaws would scarcely be considered criminals. Many were "transported" to Australia from England for such "crimes" as stealing a loaf of bread.

Continued Until 1840

The system of banishment continued until 1840, by which time many unfortunate men and women had worked and died in labor gangs, clearing scrub for farms or laying the foundation for towns.

The fate of others varied. Some acquired skills as engineers and architects, becoming free and prosperous. Others went on in semi-slavery to serve the independent immigrants who followed the convict ships.

Australians who descend from that era now regard themselves as something akin to aristocrats—as if, to hazard an American comparison, their ancestors had arrived on the Mayflower.

This search into the past is reflected in a proliferation of novels, histories, films and television programs that dramatize the convict period, and the vogue seems to stem from factors that are changing Australia.

Until a generation ago, Australians tended to see themselves as displaced English. It was common, for example, to refer to England as "home." But that old tie has lost its meaning, for a couple of reasons.

Australia, isolated from Britain

during World War II, began to develop its own nationalism, and that feeling of distinctiveness has endured. It has further been deepened by the influx of European and Asian immigrants who have come here within recent decades.

Yet another element has contributed to the quest for national identity. Affluent Australians, enriched by this land's wealth, want social status that money cannot buy. So, by some strange twist, convict ancestors have become the equivalent of nobility.

One indication of this phenomenon is the growth of an organization called "Descendants from Convicts," formed not long ago by the Melbourne Genealogical Society. Its membership has increased by 30 percent, to about 2,500, within the past year.

Australians seeking to trace their criminal origins have an advantage of those whose forebears came here freely, thanks to the efficient English penal system of the 18th century.

The names of convicts were registered in English parish records before their exile to Australia. In addition, the passenger lists of the prison ships were carefully filed both here and in London. Thus uncovering a skeleton in the closet is relatively easy.

Australian researchers have also found an astonishing genealogical lode in the United States. It is a catalog of 64 million family names assembled by the Mormon church. The archive, which records families of all faiths, is open to public scrutiny.

With all this, then, Australia is rediscovering its social history, and the exploratory voyage is fascinating—especially when a family can point with pride to a wretched ancestor who was banished here for poaching a rabbit from an English estate.

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Taiwan Population Grows

The Associated Press

TAIPEI—Population in Taiwan reached 18,203,436 by the end of March, according to government statistics released Saturday. Taiwan's population increased by 67,928 people in the first quarter of 1982 for an annual growth rate of 1.52 percent, compared with 1.67 percent during the same period last year.

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## LEGAL NOTICES

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION, v. GREGORY E. TONE, TRANSACT FINANCIAL CORP., et al. (SEC. 17C, 17D, 17E, 17F, 17G, 17H, 17I, 17J, 17K, 17L, 17M, 17N, 17O, 17P, 17Q, 17R, 17S, 17T, 17U, 17V, 17W, 17X, 17Y, 17Z, 18A, 18B, 18C, 18D, 18E, 18F, 18G, 18H, 18I, 18J, 18K, 18L, 18M, 18N, 18O, 18P, 18Q, 18R, 18S, 18T, 18U, 18V, 18W, 18X, 18Y, 18Z, 19A, 19B, 19C, 19D, 19E, 19F, 19G, 19H, 19I, 19J, 19K, 19L, 19M, 19N, 19O, 19P, 19Q, 19R, 19S, 19T, 19U, 19V, 19W, 19X, 19Y, 19Z, 20A, 20B, 20C, 20D, 20E, 20F, 20G, 20H, 20I, 20J, 20K, 20L, 20M, 20N, 20O, 20P, 20Q, 20R, 20S, 20T, 20U, 20V, 20W, 20X, 20Y, 20Z, 21A, 21B, 21C, 21D, 21E, 21F, 21G, 21H, 21I, 21J, 21K, 21L, 21M, 21N, 21O, 21P, 21Q, 21R, 21S, 21T, 21U, 21V, 21W, 21X, 21Y, 21Z, 22A, 22B, 22C, 22D, 22E, 22F, 22G, 22H, 22I, 22J, 22K, 22L, 22M, 22N, 22O, 22P, 22Q, 22R, 22S, 22T, 22U, 22V, 22W, 22X, 22Y, 22Z, 23A, 23B, 23C, 23D, 23E, 23F, 23G, 23H, 23I, 23J, 23K, 23L, 23M, 23N, 23O, 23P, 23Q, 23R, 23S, 23T, 23U, 23V, 23W, 23X, 23Y, 23Z, 24A, 24B, 24C, 24D, 24E, 24F, 24G, 24H, 24I, 24J, 24K, 24L, 24M, 24N, 24O, 24P, 24Q, 24R, 24S, 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